

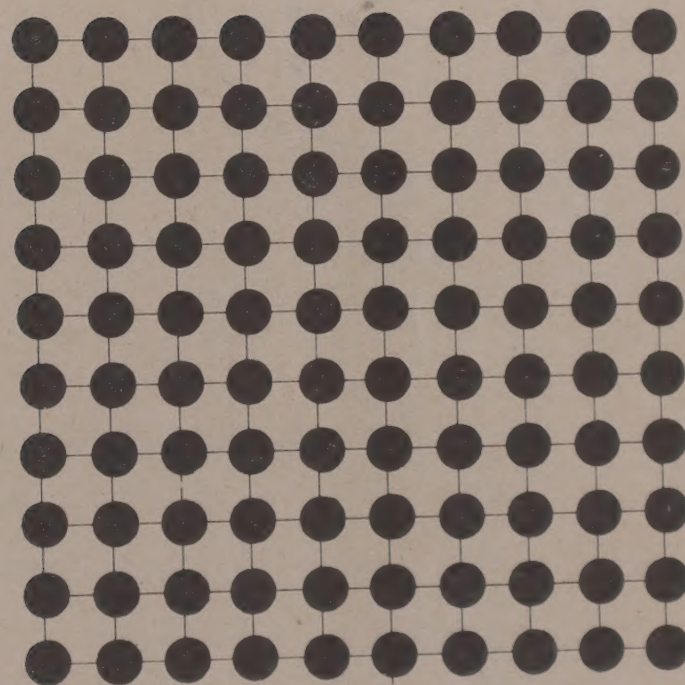


MANAGEMENT OF VOLUNTARY ORGANISATIONS

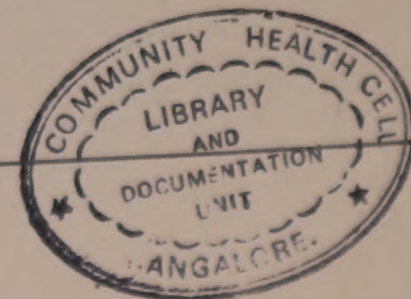
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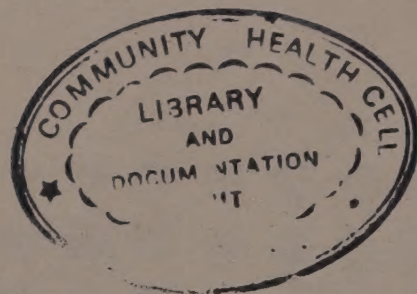


COMMUNITY HEALTH CELL



MANAGEMENT OF
VOLUNTARY ORGANISATIONS





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Management of Voluntary Organisations

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PREFACE

In recent years there has been a growing interest in the question of the *management* of voluntary organisations. It has been argued that these are different from commercial, business and government organisations and therefore require a different managerial philosophy, and different management approaches and strategies. How, therefore, does one choose an appropriate style or approach to govern a given voluntary agency?

However, before discussing the above concern, the first question that needs to be asked is, why is management at all relevant to voluntary agencies? In fact, the word management itself is considered to be a dirty word, and a totally alien concept in much of the voluntary sector of the country. The rationale for this seems to be based on certain misconceptions about the term management.

First of all, we must understand what is the meaning of the word management. In a literal sense, management entails finding ways to appropriately utilise available resources for a given purpose. These resources could be ideas, information, people, money, assets, contacts, networks, etc.; purposes could be many - individual, group, organisational, national, etc.; and utilization could be done by a person, a group of people or an organised entity.

As a matter of fact, all of us as individuals are engaged in managing our lives, almost on a daily basis. We plan how to spend time in a given day; sometimes we plan what we want

to do in the future; we plan the use of money to run our household in an efficient way; we relate to other members of our family and our neighborhood in a way that helps us to achieve our purposes in life. Thus, in a way, all of us are managers - managers of our life, of our households, of our work, etc. In this context, it is important to look at management as a process of managing on an on-going basis, and not to identify it with a person or representative or authority.

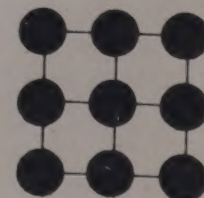
Historically the word management has been associated largely with commercial, profit-making and governmental organisations which have been characterised by inhumanity, exploitation, excessive moneymaking; neglecting the interests of the workers and other poor. Also, a manager is considered to be one who intimidates, controls, harasses, exploits and regulates those whom he manages. These images have come in the way of our understanding the generic meaning of management and managing. It is perhaps because of this that those of us who are working in voluntary agencies committed to social transformation and empowerment of the rural poor, consider the management and managers as our enemies and obstacles to our work. It is in this context that we desist from even looking at management and managing as being relevant to what we are doing as a voluntary agency.

Once the basic concept of management is clarified, then

comes the question of how is management relevant to a voluntary agency? Any time we plan a programme with the poor people in the community, we engage in management; any time we try to raise resources from local communities, from grants, from friends, we are engaging in management; any time we spend resources, particularly money, we are engaging in management; every time we divide responsibilities with the group and different people take on different tasks, we are engaging in management; every time we deal with a legislation or a rule or procedure affecting us, we are engaging in management; every time we monitor the progress of our work and evaluate its impact, we are engaging in management. The very act of creating, building and running a voluntary agency is its management. Therefore, management does not merely imply managing the structure and the frame of the voluntary agency but also its programmes, its perspective, its people, etc. If management functions are not performed, then an organisation cannot run

efficiently. If management functions are performed poorly, then an organisation faces difficulties, flounders, decays and dies. Wherever the management functions are performed well, the organisation is healthy, strong and long-lasting. How this management function is performed, by whom and in what way, is the secondary question. It is an important question but it can only be asked if we accept first that management is an integral part of creating, developing and running a voluntary agency.

Of course, who performs the different management functions and on what basis these persons are asked to perform these functions, and in what manner and style they perform these functions, is a matter of great concern because these things determine the appropriateness or otherwise of the management functions of the organisation and thereby determine its future. Hence these are important questions to ask and keep in mind, once we examine the different aspects of managing a voluntary agency.



MANAGING A VOLUNTARY ORGANISATION

In this volume, we are specifically talking about management of a voluntary organisation and not management in general. In order to understand this aspect of managing a voluntary organisation, it might be useful to understand what is an organisation and how it functions, and evolve our own frameworks. These frameworks need to uniquely describe the nature and characteristics of voluntary organisations, and should not necessarily be borrowed from the world of commercial, industrial or governmental organisations. In the following section, one such framework of understanding of an organisation in general, and a voluntary organisation in particular, is described.

What is an Organisation?

The framework of understanding a voluntary organisation is shown in Chart I.

Founder members, with their experience, ideological background and purposes conceptualize the organisation and start it with the help of initial 'resource providers'. These resource providers can be local people who provide a place for the organisation, other similar organisations who help and support the organisation's objectives, some donor agency which gives a small grant to start the work, etc. All these people become the 'stake-holders' in the process of supporting the organisation. Founder members primarily, and the resource providers secondarily, help define the mission, core values and vision of the organisation. The mission of

voluntary organisations are stated in various ways, like "to work for the oppressed and the poor people for their upliftment", "to bring about social change", for socio-economic upliftment of the poor", "or organise the poor", etc.

But different operational strategies are chosen to accomplish these missions. Some start economic activities for the poor and organise them in the process. Some organise the local people first and then decide about the next steps. Even in these strategies, they choose different activities like social forestry, agricultural development, adult education, income generating programmes, etc. This is chosen primarily according to the need of the area and the people, and the understanding of the situation by the founder members (and sometimes other stakeholders).

As the activities are chosen, they get divided into various functions and responsibilities. For example, for running a social forestry programme, a project proposal according to the guidelines of the possible donor (government perhaps) has to be prepared, liaison work with government officials has to be done, planning for the implementation of the programme has to be done, preparation of the nursery, digging of pits, plantation, watering, weeding, protection etc. all have to be done, accounts have to be maintained, money has to be disbursed, and periodic reports (according to the requirements of the donor) have to be prepared and sent. All these functions have to be performed by the staff members of

the voluntary organisation and the local community in different combinations, according to their capacities, experience and initiative. This is how tasks and activities get defined over a period of time.

In the early days, much of the work is coordinated with the help of informal norms and face-to-face interactions. Some formal rules and regulations are written down at the time of the registration of the organisation, depending on the legal requirements. But a greater degree of formalisation is needed when the organisation expands its activities and staff. New interpersonal relationships develop, new coalitions and sub-groups form, and some formal division of labour is also done through sharing of responsibilities.

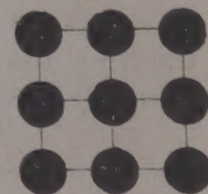
All organisations exist in a given environment. The environment is what is outside the boundaries of the organisation but has an impact on it. The environment is the broader socio-economic, cultural and political environment; it is also specific to a given voluntary organisation. For example, in order to acquire the inputs - resources, funds, people - the voluntary organisation has to deal with a given environment in the country. This is the environment of the government agencies which provides grants to voluntary organisations, other national and international donors, and institutions for social work and other locations from where such staff could be recruited. The environment also includes regulatory aspects. These are the laws, regulations, rules and procedures in the country which affect the organisation and provide the framework for its functioning. The people for whom the organisation exists; with whom it works, to whom it provides services - the local community - are also important aspects of its environment to which its services and products

are related.

It is quite useful to understand that an organisation does not exist in isolation and that the environment, through its various aspects, influences the organisation. Sometimes changes occur in the environment independent of the organisation and those changes significantly influence the nature and functioning of the voluntary organisation. Hence, an understanding of the environment is a useful part of developing a holistic understanding of how a voluntary organisation functions.

The organisation's tasks and activities, people who perform them, informal arrangements made to perform the tasks through interpersonal relationships and norms, and formal arrangements, division of labour, rules and regulations and reward systems all form the organisational culture. Processes like communication and information flow, decision making and conflict resolution primarily depend upon the above factors, ie, tasks and activities, human resources, informal and formal arrangements. These processes reflect the work culture and organisational dynamics.

Thus, according to its stated and cherished vision and purposes, each voluntary organisation evolves a particular operational strategy. From this operational strategy, the *primary tasks* of the organisation become clearly defined. These tasks may be organising 'sanghams', 'mahila mandals' or youth groups; they may be to implement water, soil and forest conservation programmes; or, they may be to organise nonformal, formal and adult education centres. It could mean a variety of different things, depending on the strategy. It is the primary task of the organisation which determines how the majority of its financial resources and



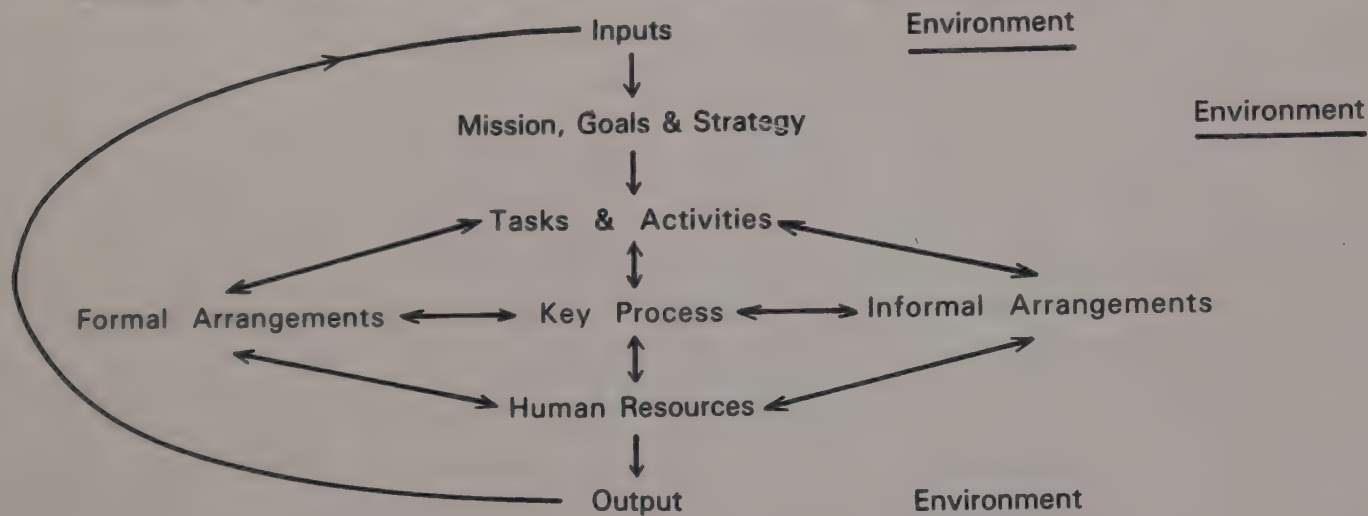
people would be utilised.

To perform these primary tasks, an organisation is also forced to perform certain *secondary* or *subsidiary tasks*. For example, to implement an integrated development programme, an organisation has to maintain accounts; to run adult education centers; it has to identify, recruit and train instructors and supervisors and maintain their leave records, payment schedules and conveyance allowances - in short, a variety of administrative functions have to be performed. These secondary tasks are important and necessary to be performed so that the primary tasks of the organisation can be performed effectively. Thus, in of themselves, secondary tasks have no value, but greatly facilitate the performance of the primary tasks. Therefore, an organisation interested in performing its primary tasks effectively, in order to accomplish its goals and visions, must find ways to perform the necessary secondary tasks as well.

The broader mission and vision which becomes a starting

point for setting up a voluntary organisation gets subsequently translated into certain goals. Some of these goals are *stated* in writing in formal documents like the Memorandum of the Association, etc. Goals also evolve and change over a period of time. So after a few years the organisation may be working on certain additional or new goals, besides working on the old goals. However, the *actual goals* for which resources were committed may become different from the stated goals. Similarly, the perception of the goals by the original team of founders who help set up the organisation may not necessarily be the perception of those who join later. Thus, different staff within the organisation may perceive the goals of the organisation differently. In fact, even outsiders perceive the goals of the organisation differently from the core founding team. It is important therefore to be aware of the fact that the *stated*, *actual* and *perceived* goals of an organisation may not necessarily be identical.

CHART I : A FRAMEWORK FOR UNDERSTANDING AN ORGANIZATION



Input

- Resources
- Constituencies, stakeholders
- History (Past experience and knowledge of Founder members)

Mission & strategy

- Mission, core values
- Vision
- Strategy

Tasks & Activities

- Division of roles, responsibilities, duties
- Job description

Informal Arrangements

- Norms, Language, rituals
- Interpersonal relationship
- Coalition

Formal Arrangements

- Division of labour
- Rules & regulations
- Systems & procedures
- Co-ordinations mechanisms
- Reward systems

Human Resources

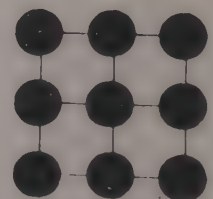
- Capacities, skills
- Morale, Attitudes
- Values, Experience

Key Processes

- Communication, information flow
- Decision-making/Participation
- Conflict Resolution

Output

- Goods, Services, performances (Quality & Quantity)
- Impact on stakeholders — Capacity for future.



REGISTRATION AS A LEGAL FORM

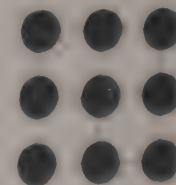
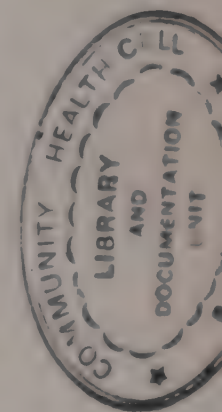
In the course of promoting people's organisations, groups of tribals, women's associations, Mahila Mandals, youth groups, and economic programmes for poor women and men, there comes a time in the life of an organisation when it needs to become a legal entity. This need to give a legal status to a voluntary organisation arises largely when this entity becomes interested in relating to the rest of the environment as a body of its own. Therefore, when a group of activists becomes interested in acquiring resources from outside, either from the government or from other sources, or in acquiring other benefits available from various schemes, then the need for a legal status arises.

It is important to give considerable thought and attention to the need for registration of a voluntary organisation as a legal entity before actually getting registered. This is necessary from the point of view of the legal requirements of different registered forms. As we analyse these, we will discover that acquiring a legal status has both advantages and disadvantages. While a group does become recognised and noticed as an independent entity, the registration also makes demands on such a group in terms of filing of returns and meeting various statutory obligations under the different laws and regulations.

The need for registration can be viewed from different angles. A registered voluntary organisation becomes a legal entity in its own right. It has a life of its own, independent of its

members or individuals who have founded the organisation, and of those who are working in it. The need for registration can take several forms. First of all, when an organisation begins to exist for a certain period of time and develops an identity of its own in terms of its mission, purposes, tasks, activities, staff, physical characteristics etc., then a legal form of registration helps strengthen that identity for future. Secondly, in relating to the environment, both to those who can provide resources and to those who can utilise its services, a legal form of registration helps provide credibility to the organisation. Most donors, be they governmental or non-governmental, prefer to give resources to a legal organisation and not to an informal group of individuals. This is so because once a voluntary organisation is registered as a legal entity its obligations can be ensured beyond the life of a single individual or a group of individuals and these obligations can be enforced in the eyes of the law. Thus donor organisations feel much more comfortable to provide resources to voluntary organisations which have a legal entity.

Secondly, in relation to other elements of the environment, be they those who provide opportunities for collaboration or working together and those who look at it as a instrument of a particular type of change effort, acquiring a legal frame helps enhance the credibility of the organisation. It essentially implies that the organisation is likely to have a life of its own.



a *continuity* of its own, a *stability* over a period of time.

However, an organisation is not merely a legal frame. It is much more than that. In fact there are many paper organisations, as we often call them, which are merely legally registered entities without any programme or activities or staff or identity of their own. The point is that, essentially, a legal frame helps provide a greater degree of possibility for *longevity and continuity* of a voluntary organisation.

Another advantage of registration is that a legal form provides limited liability for the membership, particularly those who found the organisation and help set it up in the beginning. Each form of registration, as we will see later, has a specified type of liability of the founder members, and those who govern the organisation. So in the event of the organisation experiencing a loss or a problem, and to the extent that its leadership can be shown to be acting with bonafide intention, that loss or problem cannot be attached to the personal assets, reputation or life of an individual or a given set of individuals. Thus, registration provides the possibility of *limited liability* to various members which help set up and run an organisation.

However, registration as a legal entity is also a double-edged sword. Once a voluntary organisation is registered as a legal entity it is bound by certain rules, procedures, norms and laws which are outlined in that particular form of registration. It becomes obligated to file returns and meet other statutory obligations. It also gets regulated through various other legal and constitutional provisions of the laws of the land.

When we look for possible forms of legal entity, there are several examples which are being used in practice. These are: a society, registered under the Societies Registration Act,

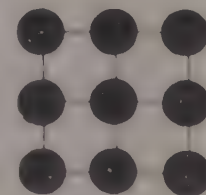
1860; a trust under the Indian Trust Act, 1882, or under the Charitable and Religious Trusts Act, 1920; a union under the Trade Union Act, 1926; a partnership firm under the Companies Act, 1956 or under Section 25 of the Companies Act; and a cooperative under the Cooperative Societies Act (like Delhi Cooperative Societies Act, 1972).

The most common form of registration of voluntary organisations is the Society; the next of course is the Trust. In Gujarat and Maharashtra, all societies have also to register as a Public Trust with the Charity Commissioner. Given below are details of registering as a Society.

The Society

The basic legislation which has created a Society as a legal entity is the Societies Registration Act of 1860. The central Act was an Act for the registration of literary, scientific and charitable societies. The purposes mentioned in the Preamble of the Act are "for the promotion of literature, science or the fine arts, or for the diffusion of useful knowledge (including the diffusion of political education), or for charitable purposes". Section 20 of the Act defines the types of Societies that can be registered under the Act:

"Charitable societies, the military orphan funds or societies established at the several presidencies of India, societies established for the promotion of science, literature, or the fine arts, for instruction, the diffusion of useful knowledge, the diffusion of political education, the foundation or maintenance of libraries or reading-rooms for general use among the members or open to the public, or public museums and galleries of paintings and other works of art, collections of natural history, mechanical and philosophical inventions,



instruments, or designs."

Objectives

However, these purposes have been broadened to include a variety of other public purposes in the amendments made by different state legislations on the Societies Registration Act. For example, in Bihar, industry and agriculture, and promotion thereof, has been added over and above the promotion of science, literature and art; in Pondicherry, the following has been added at the end of Section 20: the dissemination of social economic education; promotion of the interest or welfare of the public or a section of the public or of non-trading associations with activities confined to the union territory; in Uttar Pradesh, besides the promotion of science, literature and arts, khadi and village industry, Panchayat Raj and rural development have also been added.

Broadly speaking, the Societies Registration Act was created to facilitate the formation of legal bodies to carry out two types of objectives. The first objective was for the propagation of science, literature, arts etc. with the help of better-off people in the society who could devote their time, energy and resources towards this end. The second objective was to create such a legal form that could provide for vast membership organisations like an association. Several examples of membership organisations exist, like association of doctors, scientists, cricketers, painters, lawyers, nurses.

In recent usage, the Societies Registration Act has been utilised for a variety of other purposes as well. It has been used by various voluntary agencies and non-governmental organisations for educational, scientific, developmental efforts, including economic and income-generating

programmes. In various states, Mahila Mandals and Youth Clubs are registered as societies and some state Acts expressly provide for the same.

The government has also used this Act to create its own organisations. Council for Advancement of People's Action and Rural Technology (CAPART) is registered as a society; National Labour Institute is also registered as a society; the National Dairy Development Board is a registered society.

Registration and other Provisions

The main provision of the Act is that seven persons who subscribe to a Memorandum of Association can register a Society under this Act.

The Memorandum of Association should contain the name of the Society, the objectives of the Society, the names, addresses and occupations of those who are members of its governing body in whom the management of the affairs of the Society will be entrusted.

Along with the Memorandum of Association, the rules and regulations as per the provisions of the Act have also to be filed with the Registrar of Societies for registration purposes. The rules and regulations should contain the following: name and address of registered office of the Society; manner, criteria and procedure for enrollment and removal of different categories of members, their rights and obligations; and period of membership, criteria, manner and procedure of formation of governing body, conduct of its meetings, notice period, quorum, etc. designation, manner of appointment or election and removal of its office-bearers, their powers and rights; procedure for conduct of annual general body meetings, or special meetings; accounts and audit

procedures; manner in which objects and rules and regulations of the Society can be changed; and other provisions necessary as per the requirements of the Act.

The Registrar essentially ensures that various provisions of the Act have been complied with and that the name of the Society is new and no other Society is registered in that or similar name. He then registers the Society and gives it a certificate of registration. As per the central Act, there is a requirement to submit annually a list of members of the managing body, after the annual general meeting of the Society is held. Some other states require a list of membership; some states require audited accounts to be filed annually.

The membership of the Society can be open to those who subscribe to the aims and objectives of the Society; a fee for membership can be charged or they can sign the roll of membership, an executive body or governing body can be elected, selected or nominated, in whose hands the management of the day-to-day affairs of the Society is entrusted. The property of the Society is vested in the governing body and can not be used for the private benefit of any of its members, but only for the furtherance of the objects of the Society. The Society is a legal, corporate body, and can sue and be sued in its name by and on behalf of its governing body, and the authorised person. The liability of the members of the Society and the governing body is limited and any judgement can be enforced against the Society, but not against the private assets of its members. The rules and regulations provide for various roles and responsibilities, which become the basis for day-to-day functioning of the society. A section provides for the manner in which the

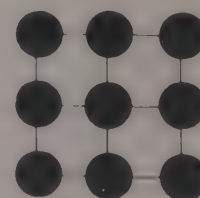
Society can alter its purposes, its bye-laws, rules and regulations.

Advantages and Limitations

The Society is one of the most democratic forms of organisation available. It can have a broad membership which elects periodically a governing body for managing the affairs of the Society. The governing body is accountable to the general membership and can delegate its day-to-day functions to some full-time staff of the Society.

The other major advantage of the Societies Registration Act is the flexibility and ease of making and changing amendments and alterations to its purposes, rules and regulations and bye-laws. The central Act provides for a procedure whereby members recommend and approve changes in a meeting of the members specially convened for this purpose and the changes are communicated to the members in writing ten days before the meeting and agreed to by three-fifth of the members present during the meeting and subsequently confirmed by similar vote of members present at a second special meeting convened by the governing body at an interval of one month after the previous meeting. However, many of these provisions have been altered in different state legislations. In the central Act, the ultimate authority for changes in the objects and rules and regulations of functioning of the Societies vests with the general body and the governing body. In some states, the Registrar of Societies has been vested with special powers for such purposes.

The major limitations of Society as a form of organisation is that in its original purpose and concept, it was conceived as a form meant to be utilized to provide services to a set of



beneficiaries who were not the members of the Society. It was assumed that a set of members through their governing body would assist a set of beneficiaries by the activities of the Society. If we are, therefore, thinking of utilising this form for women's economic groups, then women themselves become beneficiaries of the Society as well as its members and are represented on the governing body, which could lead to a conflict of interests. In some states like Andhra Pradesh and in the Union Territory of Delhi, the Registrars of Societies have been asking for a declaration that the activities of the Society will not benefit the members themselves.

It has been argued that the Society can have members who are also working as staff of the Society in another capacity for which they may be compensated. This argument has been accepted by the Registrars of Societies in some instances. The important thing is to distinguish between the role of the member as a member of the Society, its general body and governing body, as well as the same person playing a fulltime or part-time staff role in performing the activities of the Society and being compensated for the same.

However, at least in one instance, that is the Tamilnadu Societies Registration Act of 1975, there is a specific reference which debars members from accepting any form of compensation from the Society. Section 25(3) of the Tamilnadu Societies Registration Act, 1975 clearly states that no payment shall be made out of the fund of a registered Society to the president or any other officer of the Society by way of honorarium for any service rendered by him to the Society.

Many non-governmental organisations registered as a Society are operational entities, and not membership

associations. They use their Society registration with a view to acquire a legal status and then most of the staff, at least in the beginning, become members of the general body and the governing body of the organisation. In such a situation, in some cases, the Income Tax Act of 1961 has been interpreted to imply that such a Society is not meant for charitable purposes. Some income tax officers have interpreted such a structure of the Society as charity for and benefit of its members themselves who are working as staff of the Society. In such cases, the tax exemption status of such a Society has been questioned and in some cases the Society's income has been taxed. The Income Tax Act, 1961 required that any honorarium, salary or other benefits paid to the members of the governing body be reported annually along with the income tax returns of the Society and if most members of the governing body are also full-time staff of the Society, some income tax officers have begun to take a view that this is contrary to the charitable purposes and character of the organisation.

Variations across States

The Societies Registration Act of 1860 as a central Act has gone through some revisions as several other states have enacted their own special acts or rules or amended the central Act in its applicability in the state. By and large, most other Acts are structured in the same way as the Central Act and contain all of the same provisions that the central Act does. Thus the major difference is in terms of additional sections, additional constraints and additional rules which have been brought about by different states.

A comparative statement of these has been included

in Appendix-A

The Trust

The next very common form of organisation that has been used and has been available is what is known as the Trust. A Trust can be of several types: a private Trust which is governed by the Indian Trust Act of 1882 or a public Trust. There is no central law which governs the constitution of public Trusts in the country but a formal document of a public Trust can be registered under Registration Act. However, there are some other legislations which affect public religious and charitable Trusts in certain parts of the country which will need to be elaborated.

Main Provisions

The Indian Trust Act 1882 is a central Act that governs the constitution and the functioning of a private Trust. It suggests how a Trust can be created and what are the rights and obligations of the trustees. As per this Act, a Trust is an obligation annexed to the ownership of property, and arising out of a confidence reposed in and accepted by the owner, or declared and accepted by him, for the benefit of another or of another and the owner. The person who reposes or declares the confidence is called the author of the Trust; the person who accepts the confidence is called the trustee. As described, the original purpose of creating a Trust was for the management of property either for the object of private use or for the larger religious and charitable public use.

The Act clearly provides for that. The trustees must take due care for the management of affairs of the trust and act in a serious, careful and impartial manner. The Act also says that

the liability of trustees for breach of trust is unlimited and the trustees' private property and assets can be attached, should there be a need for recovery due to loss or breach of trust. The trustees are both individually as well as severally liable in case there are more than one trustee. The Act does not specify how many trustees there can be. The Act also says that trustees cannot delegate their responsibility and accountability, nor can they renounce their trusteeship except in certain conditions. Therefore, trustees cannot be changed unless they resign or retire. The trustees also cannot use the trust for their private, personal profit or benefit though they can charge expenses incurred in the course of management of the Trust.

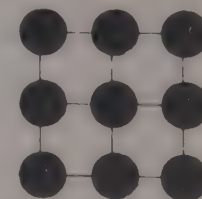
The Act also provides for the possibility of approaching the court of law in case of seeking information about the management of the Trust and the manner of its functioning.

Bombay Public Trust Act, 1950

Besides, there is a Bombay Public Trust Act, 1950 which is applicable in the states of Maharashtra and Gujarat. This Act has been created for the better regulation and administration of public religious and charitable Trusts. A Public Trust under this Act is defined as a Trust either for public religious or charitable purposes or both and includes a Society formed either for religious or charitable purposes or for both and registered under the Societies Registration Act, 1860.

The implication of this Act in Maharashtra and Gujarat is that every registered Society created for a charitable purpose must also simultaneously get registered under the Bombay Public Trust Act, 1950.

Under the Act, the office of the Charity Commissioner has been created with specified duties and privileges.



For the purposes of this Act, in Chapter 3, Section 9, charitable purposes have been defined as relief of poverty or distress, education, medical relief, provision for facilities for recreation or other leisure time occupation and advancement of any other object of general public utility. It does not include purposes which are exclusively for sports or exclusively for religious teaching or worship.

It is possible to conceive of the Public Trust under the Act (under Section 11) where some of the purposes are charitable and some are not.

Within the various sub-regions specified by the Charity Commissioner's office, Public Trust registration offices have been created in which every such Public Trust must be registered within three months of the creation of such a Trust. The Act provides for particulars necessary for the registration of Public Trust under this Act under Chapter 4, Section 18(5). These include the names and addresses of trustees and the manager, the mode of succession into the office of trustees, list of movable and immovable Trust property and its approximate value, the gross average annual income of the Trust and the expenditure and a permanent address.

This Act also obliges the trustees, after registration, to inform the Charity Commissioner's office, within 90 days from the date of making any changes in the rules and regulations and bye-laws of the Trust. Thus a registered society in Maharashtra and Gujarat working for charitable purposes has to be registered under this Act and keep the Charity Commissioner informed. Chapter 5, Sections 32 and 33 set down obligations for proper accounts-keeping and annual audit by a chartered accountant. This section also gives the power to Charity Commissioner to direct a special

audit. Section 36 specifies that no sale, mortgage, exchange or gift of any immovable property and no lease for a period exceeding three years in case of non-agricultural land or building belonging to a Public Trust shall be valid without the previous sanction of the Charity Commissioner. Subsequently, the Act also provides for creation of a Public Trust Administration Fund which will be utilised for the purposes of maintaining the office of the Charity Commissioner as well as the regulation of public Trusts in the state. A specified percentage of gross annual income of every Trust is to be paid as fee for this Fund (Section 58).

There are several detailed provisions in this Act and its associated rules which are very restrictive and provide considerable powers to the Charity Commissioner. For example, the annual budget of a Public Trust is to be submitted with a prescribed form to the Charity Commissioner's office one month before the beginning of the accounting year (section 31A); the auditor of a Public Trust is required to send a copy of his audit report directly to the Charity Commissioner (Section 34); funds of a Public Trust can be deposited only in scheduled banks or approved cooperative banks (Section 35); detailed directions can be issued by the Charity Commissioner to hospitals (Section 41A); the Commissioner has the power to remove or dismiss a trustee (Section 41D), or to intervene generally in the management of the affairs of a Trust (Section 41E) and other wide-ranging powers as specified in Section 69.

The associated rules prescribe a series of formats and schedules for various reporting and application requirements. Rule 19 even prescribes the contents of an auditor's report which reflects much more than mere financial audit, but also

includes activity and performance audit (audit reports should mention whether meetings are regularly held and minutes properly maintained).

Clearly, many of these provisions of Bombay Public Trust Act, 1950 are cumbersome, restrictive and demand considerable reporting formalities. It also provides considerable powers to the Charity Commissioner and his agents to interfere with, monitor and control and regulate the functioning of a Public Trust. The implication of these for small grassroots voluntary organisations need to be carefully analysed and understood.

Advantages and Limitations

In the light of the above, several advantages of registration as a Trust can be seen. First of all, leaving the Bombay Public Trust Act applicable to Maharashtra and Gujarat, the Indian Trust Act is extremely flexible and provides for minimum government interference and regulation. It also does not specify the number of trustees and the mode of creation of a legal entity is very simple. Under the Income Tax Act 1961, a Trust, in particular Public Trust for charitable and public religious purposes, has been treated in more or less the same way as the society registered under the Societies Registration Act of 1860.

However, the Trust Act clearly indicates that trustees cannot enjoy any pecuniary benefits out of the property and fund of the Trust. This becomes one of its major limitations because members of the Trust and the board of trustees cannot become full-time staff of the Trust or in any way derive income from the activities of the Trust.

The second limitation of the Trust is that it is a highly closed

organisation and once appointed, trustees cannot be ordinarily removed. It is not a democratic set-up and is mere fiduciary in character. The instrument of the Trust created and the rules mentioned therein become binding since the Act does not specify any such rules or bye-laws. However, the Trust rules and its deed can be altered, if it is so provided for in the original deed.

Another major limitation of the Trust is that the liability of the trustees is individually and severally unlimited and, therefore, they have to be very careful in managing the affairs of a Trust; otherwise their personal property and assets can be attached in case of breach of trust.

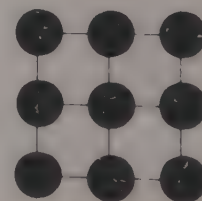
However, this form has been effectively used by NGOs and other grassroots groups in managing their own organisations, and socio-economic development programmes, welfare programmes, educational and health care activities, rural development efforts, etc. Therefore, organisations which are interested in creating a governing body or a board of trustees comprising of non-staff members can still opt for this form as it is very simple to operate and there is least interference by the government.

Trade Union

Though not commonly used, trade union as a legal form of registration is most aptly suited for building peoples' movements and organisations. The Trade Union Act, 1926 provides for the registration of Trade Unions and defines certain rights and obligations of registered Trade Unions.

Main Provisions

According to this Act, trade union is a temporary or



permanent combination formed primarily for the purpose of regulating the relations between workmen and employers, or between workmen and workmen, or between employers and employers. Thus even employers can form and register trade unions. The Act also covers any federation of two or more unions.

Under this Act, any seven persons can apply for registration of Trade Union.

Every application for registration is made to the Registrar along with a copy of the rules of the Trade Union and containing the following particulars:

The names, occupations and addresses of members making the application; the name of the Trade Union, and the address of its head office; and the titles, names, ages, addresses and occupations of the officers of the Trade Union.

Provisions to be Contained in the Rules of a Trade Union

For registration under this Act, the following rules and bye-laws are needed:

- The name of the Trade Union;
- the objectives of the Trade Union;
- the purposes for which the general funds of the Union is to be applicable;
- the maintenance of a list of the members of the Trade Union and adequate facilities for the inspection thereof by the office-bearers and members;
- the admission of ordinary members and their membership fee and also the number of non-worker office-bearers in the executive (at least half must be workers in the industry);
- the conditions under which a member is entitled to benefits

of the Union;

the manner in which the members of the executive and the other office bearers of the Trade Union shall be appointed and removed;

the safe-custody of the funds of the Trade Unions, and annual audit and adequate facilities for the inspection of the account books by the office-bearers and members, and also the manner in which the Trade Union may be dissolved.

If all the terms of the Act are complied with, it is obligatory upon the Registrar to issue a certificate of registration.

If for any reason the registration of a Union is to be cancelled, the Registrar has to give two months' written notice.

A registered Trade Union has an identity of its own as a body corporate.

The General Fund of a registered Trade Union can be used for its staff, legal and educational activities, welfare of its members, etc.

A registered Trade Union may constitute a separate fund for the promotion of civic and political interests of its members, and get contributions separately.

A member who does not contribute to the political fund cannot be excluded from any benefits of the trade union.

No legal proceedings in a civil court can be held against any trade union, its officer or member for any act done in furtherance of a trade dispute.

For example, if any member or office-bearer of a union refuses to work during a trade dispute, no legal proceedings against him can be brought in a Civil Court.

Any person who has attained the age of 15 years may be a member of a registered Trade Union.

A registered Trade Union is required to send the Registrar

- annual income and expenditure statement
- any changes in name or rules within 15 days, or any
- changes in office-bearers or address of the union.

If a union has more than 500 members, its annual accounts must be audited by a Chartered Accountant.

Advantages and Limitations

The Trade Union as a legal form of registration has been used by development-promoting voluntary organisations to a limited extent only. Most agitational and struggle-oriented groups have relied on this form. Some people's movements, agricultural workers' organisations, forest produce gatherers' association, construction workers' organisation, etc. are registered as Trade Unions.

A part of the reason for limited use of Trade Union as a form of registration has been limited understanding of it. Many development-promoting groups have some reservations about the form based on their orientation towards and experience of a few trade union organisations. Secondly, the form is seen to be one used to struggle against the employers. So, in case of self-employed women and men, or where employer is distant and invisible, activists do not know how to use Trade Union as a form.

The definition of a trade union, as per the Act, makes it explicit that its purpose is regulation of relations - among employers, among workers, as well as between workers and employers.

One of the greatest advantages of Trade Union as form of registration is its direct contribution to, and association with; empowerment and collectivisation. No other form of

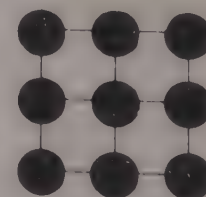
organisation captures the essence of, or represents the meaning of, collectivisation, democracy, organisation, empowerment and struggle.

Secondly, as a form to enhance economic status of workers engaged in wage-labour, it can be a powerful and effective form. Thus enhancement of income of poor women workers through their struggle for increased wages can be effectively accomplished through this form.

A trade union has the capacity, as a form, to work with large numbers of members - tens of thousands of poor women and men can become members of a Trade Union. This gives this form relative advantage in terms of relating to issues of a large number of poor people within one legal entity.

Of course, there are some limitations of the form as well. Since most trade unions in the country are highly politicised, trade unions can accept grants from foreign sources only after prior permission of the central government under Foreign Contributions (Regulation) Act. Besides, for initiating new economic activities for poor women and men, it may require additional resources which even government departments may hesitate to provide to a Trade Union. The limitations of dues generated through membership may pose constraints on the ability of a Trade Union to engage in a variety of activities and programmes. As a representative organisation of members, it can also limit the possibility of utilising certain types of professional skills that may be needed for initiating new developments or economic programmes.

On the whole, the potential of this form of organisation for enhancing empowerment and collective organisation of poor women and men has been underutilised by development-promoting groups and agencies.



GOVERNING

Once a voluntary organisation has been set-up with its own statement of purposes and goals, primary and secondary tasks, and structures and people, and begun to function as an entity on its own, there are two broad types of management issues that it then has to contend with. The first one relates to the *management of constituencies*. This is basically how the organisation deals with its relationship with different constituencies and segments of the environment in which it exists.

Management of Constituencies

A constituency is a particular unified cluster of individuals, families, institutions, networks which is outside the voluntary organisation but has a special type of relationship with it. A voluntary organisation requires effective management of constituencies in order for it to function effectively.

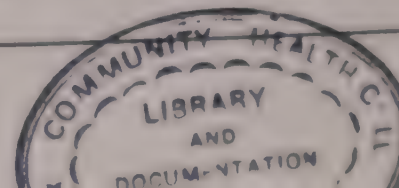
There is a remarkable range of constituencies that a voluntary organisation has to relate to. In terms of analysing the relations of voluntary organisations with various segments of its environment, one could identify several constituencies. First, the people or the beneficiaries or the target group is one of the main segments of the environment. Most voluntary organisations give a fair amount of attention to the quality of relationship they build with the local people among whom they are working. There is a noticeable and visible trend from working *for* the people to working *with* the people. From a

charity orientation to a support promotion function, voluntary organisations have made considerable efforts to redefine the quality and nature of their relationship with the local people. Of course, the size of the organisation, its history and specific location also determines the nature and quality of this relationship. But by and large, most voluntary organisations are very sensitive, and pay particular attention, to the quality of relationship they have built with local population among whom, with whom or for whom they are working.

The second important segment of the environment that voluntary organisations have to relate to simultaneously is the one comprising of regulatory agencies. Thus the government and its various agents become a major constituency to which a voluntary organisation needs to relate. This constituency comprises of such bodies as the Society Registrars, Charity Commissioners, Labour Commissioners, Income-Tax Authorities, Ministry of Home Affairs, and a host of other agencies. By and large, the tendency in most voluntary agencies is to shy away from relating to this constituency. The general approach has been to wish that such a relationship did not exist or was not needed. Very little attention has been paid and very little effort has been made to define the nature and quality of the relationship that a voluntary organisation should have with this constituency.

A third major constituency to which voluntary agencies relate to is that of the donors and resource-providers, both

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Indian and Foreign. Donors themselves are not a homogenous group and represent considerable diversity among themselves. Yet, there is an important relationship that voluntary organisations need to maintain with the donors in order to acquire the necessary resources to be able to do what they have planned to do in order to accomplish their purposes. Historically, most voluntary organisations have paid considerable attention to their relationship with donors. This relationship has been somewhat unequal, with most voluntary organisations finding themselves somewhat powerless vis-a-vis the donors.

Then there is the constituency of other organised social and political movements in the country. These are the trade unions, political parties, youth organisations, student movements, etc. Most voluntary organisations have shied away from relating to these and have wished that there were no need for them to relate to these. In fact, the orientation of voluntary organisations to such social and political movements has been of mild to severe hostility and the response has been one of withdrawal and distancing. This has, of course, not stopped parties, trade unions and social movements from articulating their positions vis-a-vis voluntary organisations.

And finally, there is the constituency of other like-minded, similar voluntary organisations within the state, country or region. Historically, voluntary organisations have tried to relate to each other with tentativeness and apprehension. There has been varying degrees of competitiveness, isolation, solidarity and camaraderie across voluntary organisations.

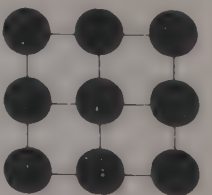
The important point is that the relationships of voluntary organisations with multiple constituencies need to be

defined, built and maintained over a period of time. Unfortunately, most voluntary organisations define themselves exclusively and largely in relation to the local people among whom they work and it is that relationship they cherish and pay greatest attention to. But there is a need to identify multiple constituencies with which a voluntary organisation has to relate, and to define a set of principles by which each of these relationships will be established and maintained. These principles cannot be identical across constituencies. For example, the principle of mutual trust, equality and solidarity that many voluntary organisations use to build their relationship with the local people may not become very functional, given the present reality, as the basis for relating with regulatory agencies in the country (for example, police department or the Ministry of Home Affairs).

Thus a voluntary organisation⁸ needs to develop the competence and the principles by which it can relate to these multiple constituencies effectively. Unlike many other types of organisations, given the current reality in the country, a voluntary organisation has to deal with multiple and diverse constituencies simultaneously, each with perhaps differential requirements and principles. It is this part of the management of a voluntary organisation that requires careful attention. The managing process in a voluntary organisation is to be able to develop the capacity to build relationships which allow it to accomplish its purposes and perform its tasks vis-a-vis each of these constituencies.

Management of Internal Affairs

The second major aspect of governance of a voluntary organisation is the *management of its internal affairs*. This is



not implying that the management of internal affairs is distinct from, and not related to, the management of its constituencies. In fact, the two are closely related and reinforce each other. Yet, it is useful to distinguish from the management of multiple constituencies external to the voluntary organisation and management of its internal affairs. A variety of perspectives can be seen in understanding the management of the internal affairs of a voluntary organisation. Some of these have been articulated in earlier sections. Here we outline three broad issues. The first issue is related to the *structure and process* of functioning of voluntary organisations; the second issue is related to the *personnel function*, that is the people and their concerns in the organisation; and, the third relates specifically to the nature, constitution and functioning of the *governing bodies*.

Structures and Processes

All voluntary organisations develop some formal and some informal structures (roles, reporting relationships, rules & procedures, etc.) and they all function through a variety of processes (participation, communication, decision-making, etc.). However, two of the most misused and abused phrases in voluntary organisations are Hierarchy and Participation.

As we have seen, an analysis of the functioning of a voluntary organisation shows that consistent with the purposes, an organisation decides to carry out a given primary task. For example, an organisation may decide to build small groups of poor in different hamlets as a starting point to their collective empowerment. This process of building small groups as an educational process may require a series of things to be done - building rapport, providing information,

conducting meetings, visiting government departments and offices, keeping records, etc. Thus a given primary task gets carried out through a large set of activities. Over a period of time, different persons in the organisation begin to carry out these different sets of activities because of their interest, competence, capability, availability, etc.

Besides these, there are some tasks which are subsidiary to the primary task which need to be performed in order to support the implementation of the primary task. For example, keeping accounts is not the primary task of a voluntary organisation engaged in non-formal education, but it needs to be carried out so that its primary task of non-formal education could be performed well. Thus many different individuals begin to perform different activities even within the secondary tasks of the organisation. It is this pattern of performing different activities over a period of time which begins to define certain *roles* in an organisation.

Besides, the formal requirements of a voluntary organisation becoming a legal entity also impose certain patterns. For example, voluntary organisations registered as a Society have a general body which elects a governing body in whom the management of day-to-day affairs of the organisation and its activities is entrusted. The governing body is accountable to the general body and derives its responsibilities and powers from it. However, in most voluntary organisations, many members of the general body or the governing body are not full-time staff members of the organisation and have other activities, occupations and responsibilities. Invariably one or two persons act as full-time secretary, coordinator or director of the organisation and are responsible for the day-to-day management of the

organisation within the overall policies and guidelines laid down by the governing body (which in turn is accountable to the general body).

Thus it is the evolution of the *pattern of roles* as well as the legal requirements of a formal organisation which begin to define a *hierarchy of roles and responsibilities* in an organisation. This hierarchy exists even in organisations which many not be a legal entity, because it is linked to the evolution of patterns and roles which is linked to a hierarchy of responsibilities. Therefore, one needs to directly confront the issue of hierarchy which is inevitable. The actual issue here is the question of the distance between different layers and sets of roles and responsibilities within a given hierarchy. Given the inevitable emergence of hierarchy, the issue of its functionality is important. Not all hierarchy is automatically dysfunctional.

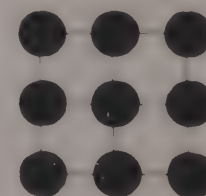
Different people who perform different roles and discharge different responsibilities may be seen within an organisation as representing different layers in the hierarchy. Thus the hierarchy in an organisation is not hierarchy of persons or positions but hierarchy of roles and responsibilities. And along with responsibilities goes authority. If the secretary or the coordinator or the director has to perform day-to-day functions and ensure day-to-day management of a Society or a voluntary organisation, within the overall policies laid down by the governing body, then she/he has to also have the necessary authority to be able to discharge these responsibilities. Without the necessary authority to commensurate the responsibility, it is difficult to hold accountable the performer of a given role. Accountability is possible only when, along with responsibility, commensurate

authority is available to the person playing that role. And when in organisations, this person exercises that authority, in discharge of his/her responsibility, it is construed as denying participation as well as being unequal.

Participation in the functioning of a voluntary organisation is not a unidimensional, simple matter. The issue of participation has to be addressed in very concrete terms as to who should participate around what types of issues and why. Participation has been seen as a vehicle to build commitment and sustain motivation of members of an organisation. Therefore, participation has to be structured, and forums and mechanisms are to be created so that different members of the organisation, in commensuration with their roles and responsibilities, participate in certain issues. Unstructured, undefined, free-for-all participation is nothing but *anarchy and chaos*, and is the very anti-thesis of an organisation.

Therefore, it is useful to consider the issue of institutionalisation of participation through creation of certain forums and mechanisms. Many voluntary organisations, running on the individual charismatic leadership of its founders, can also use participation according to the whims and fancies of the leader as opposed to the requirements of the task. Thus institutionalisation of participation and creating forums and mechanisms for the same may tend to minimize the unilateral actions by powerful leaders and heads of organisations.

Given the inevitability of hierarchy, the question for voluntary organisations is - how do we make attempts to reduce the negative and alienating consequences of hierarchy in an organisation? It is in this context that consultation, informality, open access to information,



continuous orientation, dialogue, and reflection etc. are suggested as mechanisms to create a more open, informal, consultative and collegial culture of functioning in voluntary organisations and thereby minimize the negative and alienating consequences of hierarchy. A well-defined, clearly articulated and broadly accepted hierarchy is much more functional and effective than a pretension that there is no hierarchy while in reality one exists. This will also help in developing realistic expectations among members of the organisation and clarifying the multiple roles and responsibilities that different members play. Many a times questions about hierarchy and participation are raised in an organisation at a time when mutual trust and confidence begins to falter. In that situation, participation cannot replace or substitute trust or faith. And if one examines participation and hierarchy in this perspective, then they are not mutually contradictory. Both can, and do, exist in varying degrees in different organisations.

Similar confusion exists about the meaning of the word equality. In order to understand the meaning of equality, we need to examine the bases of inequality in an organisation. All work organisations, voluntary organisations in particular, exist in the given socio-economic, cultural and political environment of the country. For this reason, therefore, the existing inequalities in the Society at large are also reflected inside the organisation through its membership. Thus members of a voluntary organisation are unequal on a variety of dimensions: they are unequal on the basis of their commitment to the over-all vision, purposes, ideology and the task; there is inequality in the competence of members; there is inequality on the basis of conceptual skills, manual skills and

technical skills among the members of the organisation; there is also inequality on the basis of the experience in conducting a variety of different tasks; members also differ from each other in educational standards, are unequal in their qualifications, both formal and informal; and there is inequality in the capacity to undertake and discharge responsibility. Of course, the class inequality visible in society at large also comes inside the organisation. Therefore, the issue of equality has to be understood in the context of existing inequalities in the voluntary organisations. If there is unequal commitment between two members to the mission and purposes, can those two be treated equally?

In fact, it is unethical to equate, or pretend to equate, two persons who are unequal on a variety of dimensions. Therefore, the understanding of equality has to be in terms of fairness of treatment to members and this approach requires *equity*, and not equality. Equity implies equality within certain conditions and equality among unequals is inequitable. Therefore, when we talk about fairness of treatment to members within an organisation and, therefore, equity, we should try to have uniform common treatment across similar categories of members. Thus all the members of the governing body of a voluntary organisation should be treated in the same fashion and different from those who are full-time staff but are not the members of the governing body. The issue of human dignity, of developing a stake in the organisation, or promoting consultation and participation in decision-making is far more important than a mere debate on equality.

Thus the question of hierarchy and participation is an attempt to create an internal structure and a set of processes

which are appropriate to the task at hand for the organisation. The process of managing in a voluntary organisation, therefore, entails developing such structures and processes, and sustaining them.

Personnel Management

Personnel Management implies people-related aspects—, issues of recruitment, orientation, training, placement, evaluation, development and compensation of staff of voluntary organisations.

The major questions in personnel are: How do we select people ? How do we recruit them ? What is the criteria for selection ? What is the process? After we have recruited people, how do we orient them to the visions, purposes, mission and tasks of the organisation? How can we carry out continued orientation to build sustained commitment?

The next set of questions relates to placement of people inside the organisation. How do we assign tasks and roles to different categories of staff and different individuals? Is it merely a question of their interest or a question of competence ? Are roles selected by the staff themselves or they are assigned, or both ? What kind of continuous training and self-development of staff is needed that not only helps them to perform their current roles more effectively but also to build them and their potential to take on more responsibilities and play more important roles inside the organisation in future? How do we build multiple competencies among various categories of staff?

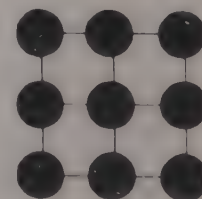
Another set of difficult yet important questions relate to evaluation of performance. How do we evaluate the performance of each staff? How do we evaluate their

individual contribution to tasks assigned to them? How do we evaluate their potentials for higher contribution? How can evaluation be used to help them grow and develop ? What are the principles and policies for compensation to staff? On what basis are the norms of work, leave, salaries, benefits, other allowances, use of resources of the organisation, etc. to be established? Are these governed by different laws and regulations? Are they evolved by the staff themselves or by both? These are the central questions in respect to the issue of the people inside the voluntary organisation.

Another set of questions relate to the creation of a climate of interpersonal relations and quality of interactions which is consistent with the purposes and the mission of the voluntary organisation. It is these kinds of issues which need to be addressed as part of the managing process of a voluntary organisation. This is the management function.

By and large, most voluntary organisations have two broad categories of staff. One category is field staff or animator staff who are largely local people who have been trained to play animator and field organiser roles. While it is difficult to find committed persons who are willing to play this role on a sustained basis, their recruitment, orientation, training, placement and compensation requires careful and planned attention.

There is a need to clarify personnel policies with respect to all categories of staff. Yet, this is found most difficult in respect of the second category of staff who are professionally trained and have a set of skills needed to conduct, coordinate, plan and manage a variety of programmes and activities. These are the people who can write proposals, conduct training programmes, do documentation, coordinate



programmes of social forestry, bio-gas, income-generation, adult education, building of irrigation bunds, etc. etc. Finding highly motivated, committed persons of this type is not a common place occurrence. Yet there is a vast pool of people out there who could be informed and influenced to play this role.

As a sector, voluntary organisations have not done sufficient public relations to inform the larger public about the kind of roles they are playing and the kind of people they need. By and large, the existing salaries in voluntary organisations in India are far below not only what the commercial sector is offering to such professionals but also those given in government and other para-statal organisations. As a result, many young women and men trained as professionals who are willing to work in this sector with enthusiasm, motivation and commitment find that Rs. 800/- a month is not what they can afford to live on. But for a voluntary organisation to pay Rs. 2000/- a month to this category of staff while local animators get Rs. 350/- a month causes its own problems.

Leaders of voluntary organisations need to clarify their own thinking with respect to personnel policies. While donors, both governmental and foreign, tend to place restrictions on the kinds of salaries that can be paid to the staff, it is also recognised that a large portion of those restrictions are self-imposed by the voluntary organisation itself. For example, a fair-sized voluntary organisation needs to comply with such regulations as Provident Fund and Gratuity and it is possible to build this in the proposals that they prepare, because these are the laws of the land.

A related issue is the selection procedure by which new persons are inducted in the organisation. A large number of

voluntary organisations practice elaborate selection mechanisms. A new, potential entrant is placed in the field for a short period, group discussions and interviews with several staff are held, a written test is conducted and the entrant is kept on probation for a short period of time before he/she joins the organisation as a full-time staff. It is generally accepted that an elaborate selection procedure is necessary in order to avoid pains of constant turnover, either through volition or compulsion.

Similarly, the question of initial and continuous orientation of new staff also needs attention. By and large, it is accepted that newcomers need to be continuously, formally and systematically oriented into the history and philosophy of the organisation, its previous and early years, the manner in which it has reached where it has reached, etc. In the absence of this, the newcomers do not share the history, the vision, the pains and pleasures of its early years as some other older staff do, and, therefore, are unable to understand the organisation in its entire perspective.

Another related issue is one of continuous upgradation of the competence and skills of the staff through staff development and training programmes. Very few voluntary organisations make systematic plans for this, particularly planning for staff time, for their own growth, and for resources to support that growth. Most of us in the voluntary sector plan our staff time which overstretches the involvement in the work of the organisation such that very little time and very little resources in our budgets are available for the learning, growth and development of the staff. Voluntary organisations must implement this principle of continuous peoples' development as it applies to their staff in a concerted way, and this may

perhaps prove to be one of the major motivating forces for the members of such organisations.

The performance evaluation of the staff of voluntary organisations is another issue. There is need to have well-defined, formalized job descriptions, particularly in larger voluntary organisations. Most organisations do not systematically engage in performance evaluation. While reflection and evaluation of the work of the organisation as a whole is a more common practice, that of its individual staff members in a formal and systematic way is not. In the absence of formal job descriptions and role responsibilities, this kind of systematic and periodic performance evaluation also becomes very difficult to carry out. It is in this context that the need to broadly articulate a cluster of jobs at different levels of responsibilities in the organisation is emphasised, and the creation of a system of performance evaluation reiterated.

Governing Body

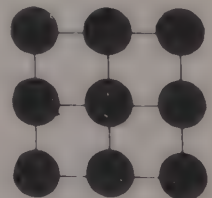
Many voluntary organisations are operational organisations; only a few of them are membership organisations. Membership organisations or people's organisations generally have a constituency through which the representatives are elected. In the case of operational organisations, like many non-governmental voluntary organisations, they are essentially promotional organisations and therefore have to be distinguished from people's organisations. This differentiation of voluntary non-governmental organisations as distinct from, separate yet related to, a people's movement is essential. Many voluntary organisations, over the years, seem to become confused

between people's movements and promotional organisations. The issue of formation of executive boards, their composition and role is more crucial in respect of voluntary non-governmental organisations which have an operational character. For people's organisations, a democratically elected governing body represents the ordinary membership.

The composition and functioning of the governing body of a voluntary organisation is one of its key internal managerial aspects. This is particularly so because of the formal nature of registration of most organisations as a Society or as a Trust. The Governing Body, under the Societies Registration Act, is the body to which the management of the affairs of the Society are entrusted in the eyes of the law. The Board of Trustees is the body to which the entire management of a trust are entrusted in the eyes of the law. Historically also governing bodies, by whatever name they are called, have been the most important structural aspects of the functioning of a voluntary organisation. Thus an important aspect of managing the internal affairs of a voluntary organisation is the nature of composition of governing body and its role, and the manner in which it goes about playing those roles.

Broad Functions of a Governing Body

Most forms of registration represent the governing body as the highest body for policy formulation and decision-making. In general terms a governing body of a voluntary organisation is expected to set-up *broad policies* regarding the manner in which the organisation will function, its purposes and missions, and its operational strategy. This helps to set up a broad direction of work but does not detail out day-to-day



plans and programmes. That is left to the internal staff who work full time inside the voluntary organisation. Another important role of the governing body is to *appoint, monitor and supervise* senior staff including the chief executive and head of the organisation. Besides, members of the governing body are expected to support the voluntary organisation in the management of its external environment. This support could be in relation to links with donors and other resource providers, links with government functionaries, links with other segments of regulatory mechanisms or links with constituencies of the people with whom the voluntary organisation works. Thus members of the governing body are expected to provide those important links with different segments of the environment.

There has been a growing debate about the composition of a governing body. The question is who should constitute the governing body. One dimension of the question is whether full time staff - those who work inside the voluntary organisation on a full time paid basis - should constitute its governing body, or those who are not working full time in the voluntary organisation should be made members of the governing body. There are arguments for and against both sides. It is argued that those who work full-time in the organisation have more stakes in the growth of the organisation, its purposes, mission and direction and, therefore, may be able to provide this policy direction more effectively. On the other hand, it is also argued that those who are outside the organisation, who do not have full-time staff responsibilities, and do not have a vested interest in pursuing a particular line of work or a direction and thereby may be able to provide much better policy direction to the voluntary organisation. Having a large

number of full-time staff as members of the governing body seems to have caused occasional problems in distinguishing between their role as a member of the governing body and their role as full-time staff. This has been particularly so where reporting requirements and performance accountability has been challenged by a staff who also happens to be a member of the governing body. There has also been other legal problems, particularly arising from the Income Tax Authorities who have not considered kindly the notion that most of the full-time staff are also members of the governing body, taking the view that such a Society is not really a charitable, non-profit organisation as it serves the interest of those members of the Society who are also its full-time staff.

The general experience suggests that it is advisable to have a governing body which comprises of people who are mostly not full-time staff of the organisation.

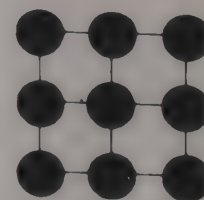
The executive board should basically perform some overall functions and not meddle with, or spend its time and energy on, day-to-day details of operations. Thus the executive board could play a variety of roles as follows: setting-up overall vision and mission of the organisation; defining broad purposes and goals for a medium term; describing overall operational strategy; laying down broad policies within which development and execution of programmes, recruitment, training and growth of staff, salary, administration, rules of disbursement of funds, etc. are situated; acting as a sounding board to the ideas, plans and programmes developed by the staff; providing wider perspective and information from diverse sources; bringing credibility and recognition to the organisation; providing access to resources from different sources, etc.

A broad-based governing body which believes in the overall ideology, mission and purposes of the organisation and restricts itself to setting broad policies is generally preferred. It may be desirable to have active, concerned and committed people as members of the governing board, rather than mere decorative figures who may have high reputation, long credibility but no time for the organisation. Another mechanism could be created inside the organisation, if necessary, which could be responsible to support the director or the coordinator or the secretary to implement the overall policies laid down by the governing board. This managing committee or consultative committee could then become a more shared responsibility of the staff of the organisation.

In this context, another issue raised is that of staff representation on the governing body. Many organisations seem to have this practice. This practice has emanated from the perception of clear distinction between the director as representing the management and staff representatives on the board representing the interest of the workers. This system does not necessarily ensure either greater participation by the members of the staff or improved access to the governing board. In its worst form, it tends to create political indiscipline and confusion around the roles of the staff representatives who tend to fail to distinguish between their role as members accountable to the director, and their role as members of the governing body to whom the director is accountable. Formal mechanisms of this type in a voluntary organisation do not necessarily ensure openness, participation or decentralized functioning. Creation of such mechanisms may be more tokenism than the real efforts needed to have an open and flexible organisation.

By and large, it is desirable that members of the staff of a voluntary organisation must have the opportunity to interact with members of the governing body. If they interact with external governing body members on a regular basis and on programme related issues, this ensures wider access to information, ideas and expertise and creates greater linkages between the governing body and the full-time staff of the organisation. Yet, there exists complete alienation and distancing in many voluntary organisations between the governing body and the full-time staff. In some voluntary organisations, full-time staff of long standing have not even seen members of the governing body, or ever interacted with them on an ongoing basis. This kind of distancing may not be a healthy practice.

The kinds of functions that a governing body is expected to perform is also debated. Depending on the nature of the functions it is expected to perform, different types of expertise, experience, perspective, and competence may need to be represented on the governing body of a voluntary organisation. Of course, there are a variety of other aspects which relates to managing the internal affairs of a voluntary organisation. These relate to the different processes that human interactions generate in the course of the day-to-day functioning of an organisation. One of the most interesting processes is the management of conflicts and tensions. Differences in opinions, perspectives, attitudes, experiences, qualifications, responsibilities, gender, culture and power generate differences among the staff members and become causes for conflict inside organisation. The more diverse the constituency of the voluntary organisation, the more differentiated its tasks, the more varied its staff, the more the



potential for conflicts inside the organisation. How a voluntary organisation develops mechanisms to address these conflicts determines the nature of its functioning and its overall effectiveness. Thus one of the major challenges of the management of a voluntary organisation and its managing process is the creation of viable, sustaining and credible mechanisms for addressing such conflicts and tensions inside the organisation.

Another set of issues relates to the dynamics of the growth and development of an organisation. Most voluntary organisations start small but over a period of time, largely as

a consequence of their success, expand and grow in size and in complexity, in geography, in resources etc. This growth is sometimes planned, but many a time it is unplanned and sudden. Growth has its own impact inside the organisation. Thus another challenge for the process of managing a voluntary organisation is to manage growth and the consequent changes it brings about inside the organisation.

Many more complex, interesting and exciting aspects of governing a voluntary organisation are part of the overall management of a voluntary organisation. It is here that the daily competence of the managing process is put to the test in a voluntary organisation.



PROGRAMME PLANNING

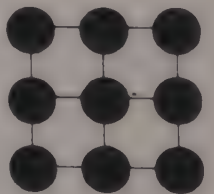
Most voluntary organisations evolve their programmes and activities based on an assessment of the local situation in which they are working, the needs of the people, and the principles and purposes for which the voluntary organisation has been set up. The task of programme planning is indeed a major and difficult one in a voluntary organisation involved in social change efforts. Unlike planning in a technical, hardware project, planning a social software programme entails greater care and more efforts. How does one go about evolving a programme of action for the work of a voluntary organisation?

The starting point of a evolution of such a programme is to assess the *needs of the people* in the given area one chooses to work in. These needs could be educational, social, economic, or cultural. They could be specified to a given group of persons like women, landless, schedule castes, tribals, children, etc., or could be for the community as a whole. Consistent with its own philosophy, purposes and mission a particular voluntary organisation then chooses to address itself to some of those needs. It is here that its operational strategy begins to develop.

How does one address those needs? Does one provide for services which are missing? Does one put pressure on the government services to become available? Does one supplement the local services? Does one repeat the services available? Does one recreate new services? These are the

kinds of questions that a voluntary organisation has to ask itself in developing its programmes. Programme planning also entails evolving a set of actions and activities that need to be carried out over a period of time. Thus detailed planning of activities in terms of what will be done, how it will be done, who will do it, when it will be done, with what resources it will be done, how will it be assessed to know that it has been done - all have to be addressed in programme planning. Assigning of responsibilities, time frames, resources, and indicators for monitoring the progress are crucial elements in any programme planning exercise.

Many voluntary organisations in reality develop programmes either based on their favourite hobby-horses or on the availability of resources. Neither of these are necessarily linked to the needs of the given population. Many voluntary organisations prefer to work in the area of education, some want to work in rural development, some others want to focus on environment, some exclusively on health, etc. In some other cases, voluntary organisations develop those programme for which government schemes or other grants are easily available. Thus programme planning means acquiring grants and then using them. It is suggested that a detailed and careful exercise in programme planning be carried out by a voluntary organisation, consistent with its purposes and mission, and responding to the needs of the population it has agreed to work with and serve. It is only after



such a planning exercise has been done that considerations of preferences inside the organisation, of competence available within, and resources provided for such programmes and plans should be looked into. It is possible that after a comprehensive programme planning, the preferences and competencies available inside the organisation may suggest a particular plan of action much narrower than the overall programme planned. The same may be true in the light of available resources both within and outside and, therefore, a specific and much narrower plan of action may have to be evolved and implemented for the time being. But this at least helps in keeping a wider and larger perspective in view and maintaining an integrated and holistic approach to the work in the field. It is in this context that some prominent and popular phrases and jargons and metaconcepts have been thrown at voluntary organisations from different directions. These are raised, discussed and dissected in Annexure I.

Proposal Writing

As an outcome of detailed programme planning, it is possible to prepare a proposal which can then be used to raise resources for the programme of a voluntary organisation. In fact, detailed programme planning not only helps in preparing the proposal, but also creates the basis for ensuring that the proposal reflects what the voluntary organisation wants to do and not what the donors would like it to do. Thus clarity in advance in terms of programmes and activities helps the voluntary organisation to state its needs for resources more clearly and forthrightly, and thereby reduces the possibility of external imposition of programme activities and ideas under

the disguise of funding. This is particularly important because funding can be a very powerful mechanism by which ideas and preferences of the donors could be subtly imposed on the voluntary organisation, and made to look like their own programmes and activities.

In general, the purpose of proposal writing is to raise resources for the kind of activities a voluntary organisation wants to undertake. Most voluntary organisations write proposals to fit a particular donor requirement. In fact, they take the guidelines and the format for preparation of proposals provided by the donors as the framework in which to write down their ideas and plans. While this strategy is certainly helpful in providing a clear frame for writing a proposal, it limits the voluntary organisation to that particular donor and makes it difficult to utilise the proposal for a variety of donors. For example, if a voluntary organisation wants to start an adult education programme and if it prepares its proposal in the format provided by the government, it limits itself to applying to only the government for possible support to its adult education programme. It almost binds it to that particular donor. Instead, if the voluntary organisation prepares a general proposal on the proposed adult education programme, it is then able to send it to several donors including the government, for possible support.

Yet, many donors do provide for a specific format in which a proposal must be sent. How do we then respond to these types of donors - for example, to the various schemes of the government? It appears that if a generic project proposal is prepared then it can become the basis for specific adaptation to different donors' requirements. If the generic proposal

contains most of the necessary information, then it is possible to add whatever additional information a given donor needs, and then adapt the proposal to the needs of multiple donors.

It is important to clarify that the kind of proposal which is being discussed is work focussed, and it attempts to describe the type of work envisaged and the nature of resources needed for that. As opposed to this, many people engage in proposal writing which is donor focussed and is intended to only request for funds from that particular donor. It is our experience that work focussed proposals are as effective in describing one's plan of action as it is in attracting support.

Purpose of Proposal Writing

In a way, there are several purposes for proposal writing. Firstly, a proposal is a plan of action which describes not only the rationale for the kind of work a voluntary organisation intends to do, but also gives details of its plans. It also commits the organisation to a particular style of implementing a programme and outlines the overall cost of doing the same. Secondly, the proposal is a basis to attract support from outside - donors, well-wishers, etc. Through this document a voluntary agency attempts to communicate to those who are not locally present its understanding of the kind of work it wants to do and its planning for the same. Thus it is a document intended to communicate its thinking and planning to those who may help with resources to do the same. Thirdly, a proposal becomes the record of plans and programmes for future reference and use. By writing it down, a voluntary agency creates its record and documentation which can then be used subsequently to study the outcomes, the impact, the shifts, changes, and movements in the course of the work of

the voluntary organisation. Thus a proposal serves several purposes and can be seen in a composite manner.

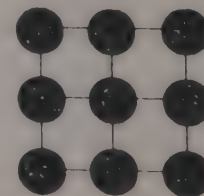
Many people worry a great deal about the language in which the proposal is to be written. Many believe that flowery and dramatic language helps in attracting resources. It is our sense that clarity of expression is perhaps the most important thing in a good proposal. And clarity of expression is partly linked to clarity of thinking and planning. So a voluntary organisation must be clear as to what it wants to do, and why it wants to do that, and state it clearly and candidly. This is most helpful in attracting resources.

Proposal Outline

As mentioned earlier, many donors specify their own format and guidelines in which to prepare a proposal. Presented below is a framework for writing a generic proposal.

1. Overview

The first section of the proposal must provide an overview of the context in which the voluntary organisation is working or planning to work. This is a kind of introduction which sets the stage for elaborating the goals and activities subsequently. In this section, brief information about the socio-economic, geographical and cultural aspects of the area and the people need to be provided. Some description and analysis of the problems that those people face is necessary in order to highlight the needs. If the voluntary organisation has already been working with that group of persons in that area, a brief record of that history is also useful. If the organisation has done any base line survey or needs



assessment, that data should also be included. Information from secondary sources like Census Reports and other documents can also be utilised in preparing this section. The overall purpose of this section is to provide the rationale for the goals and objectives and plans of action that follow. It should present a convincing case of the needs to which the voluntary organisation is planning to respond.

2. Goals and Objectives

Deriving from the previous section and elaborating on the needs presented there, specific goals and objectives of the programme should be presented in this section. This can be done both for long-term and for short-term basis. For example, if a voluntary organisation wants to work with landless labourers and the previous assessment shows that they need to be organised and empowered to demand better wages and continued work, then it could present building the organisation of the landless labourers as the overall long-term goal, and in the short-term, it can add things like awareness raising around socio-economic conditions, legal rights, etc. It could add dimensions of adult education, literacy etc. if they are considered to be necessary ingredients of organisation building. At least the short-term goals should be as specific as possible because they then become the basis for assessing the accomplishment of those goals. Broad statements like 'to bring about social transformation in society' do not lend themselves easily to any kind of assessment of programme activities or plans. Moreover, a realistic statement of aims and objectives is desirable at this stage, instead of a pompous claim.

3. Activities

In this section, the broad categories of activities that a voluntary organisation intends to undertake should be described in sufficient details. These activities are derived from the previous two sections and help to accomplish the goals and objectives set-up. These activities could be relief, adult education and literacy centres, monthly meetings, leadership training programmes, group building training programmes, field visits to other similar programmes for awareness-raising, legal aid camps, etc. The purpose of outlining in detail various activities envisaged under the programme is to ensure that a voluntary organisation articulates *how* it attempts to accomplish those goals and objectives. This section essentially is an elaboration of the *means and methods* by which the organisation intends to pursue those objectives. In a way, this section also illustrates the philosophy of the organisation and its intentions to translate its broad goals and purposes into concrete plans of action.

It is also useful to provide a sequence in which the voluntary organisation intends to pursue these activities. In case there is a phase wise plan, that should also be described. Similarly, a time frame should be presented which specifies which activities will be carried out in how much time and what is the overall time duration for the totality of these project activities.

Elaborating this section is one of the most difficult tasks in proposal writing because it demands a keen understanding of the nature of those activities, the amount of time that they demand, and their inter-linkages. It is also sometimes difficult to state precisely how much, in quantitative terms, in terms of volume, a voluntary organisation can accomplish. For



example, how many leadership training programmes could be organised in a three year period? Suppose it would like to organise one such programme every two months, as it feels that each group of leaders of the landless people it works with must undergo at least two such programmes over a three year period. The question is whether eighteen leadership training programmes over a three year period is too little or too much? Where does one draw the balance and how does one arrive at a figure? In this context, one can rely on past experiences, both of the voluntary organisation itself, as well as of others who have been involved in similar programmes and activities. It is that experience which can help as a guide in detailing such aspect of quantity or volume.

4. Expected Outcomes

It is useful to elaborate some concrete outcomes that may emerge out of the project so planned above. These outcomes have to be seen in the light of activities elaborated previously. The statement of the expected outcomes should become the basis then for further evaluation and of monitoring the progress. It also acts as a guide to motivate and inspire the members of the voluntary organisation.

5. Evaluation

It is important to specify in the proposal how ongoing monitoring and evaluation of the impact of the programme will be done. It is useful to specify some stages at which a comprehensive look at the outcomes and the accomplishments will be done; it is useful to mention some dimensions on which ongoing monitoring will be done; it is also useful to indicate how this exercise of reflection will be

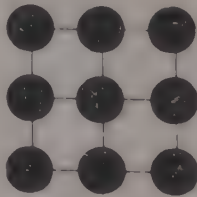
carried out as an in-built component of the programme itself.

6. Administration and Management

Having elaborated the plan of action in previous sections, it is useful to describe how the project will be administered and managed. It is here that some description of the past history and experiences of the voluntary organisation is helpful. The kind of competence and capacity that will be needed to administer and manage this project can be elaborated. If the project is going to imply recruitment of additional staff in the voluntary organisation, that could also be mentioned. If certain formal roles and responsibilities have to be created, that should also be done in this section. This section can become a basis for also outlining any collaborative arrangements which are envisaged, and any support or assistance that is sought and is likely to be provided from other individuals and organisations in implementing this project.

7. Budget

One of the last sections in the project proposal is to outline the budget commensurate with the activities planned before. There are several different ways of presenting the budget. As a first step in the exercise, it is generally useful to outline the entire budget and not only what the organisation needs from outside. The budget should be a statement of the totality of resources that will be needed to implement the project in the programme as planned above. Having done that, subsequently it will identify what resources the organisation already has, what resources it can raise from other sources, and then specify what kind of concrete support it expects from the given donor.



The budget can be organised in different heads. A variety of illustrations are presented here. It is useful to elaborate expenses in relation to project activities planned, likely resources needed for the administration and management of the project, for its evaluation, for creating competence inside the organisation to implement the project, for dissemination of the results, and learning from the projects, etc. It is also useful to distinguish between the running costs (revenue expenditure) and the resources needed to acquire certain fixed assets (like building, vehicle, land, equipment, etc.)


Once the totality of the resources needed to implement the given plan of action is outlined, then the voluntary organisation can identify those which it already has and it can then decide how to raise the remaining resources and from which source.

Some voluntary organisations believe that the exercise in budgeting can be done very easily, and that it is always useful to inflate the budget because in any case the donors cut it down. It is our experience that a realistic and reasonable statement of expenditure and resources needed is appreciated by most donors. Therefore, it is desirable to do a careful and serious exercise of budgeting, giving as much details as possible. It is also useful to keep in mind that future costs have to be projected and anticipated, and they may exceed the present costs for the same item. Take for example the cost of travelling. It is going up every year irrespective of the mode of transport. Similarly, the cost of compensation to staff or acquisition of certain assets is also likely to go up every year. So when we are preparing a three or five year budget, we need to estimate the likely cost not only in the first year but also in the second, third, fourth, and fifth years. This can be a

tricky exercise but one that needs to be done.

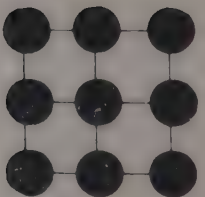
Most voluntary organisations only mention direct out-of-pocket expenses in the budget. They do so because they look at the budget as the basis on which the donors would release the grant and therefore they only mention those items for which they need additional resources from the donors. This has several limitations. On the one hand, it underestimates the overall resources needed for the implementation of the project, thereby making it look clearly inexpensive and under-budgeted. Secondly, it hides the contribution of the organisation itself in implementing that programme. It is our experience that in many cases the existing resources of the organisation could be as much as half the overall resources needed for implementing a new project. Those who are supplying those additional resources need to know this and the voluntary organisation needs to say this. Thirdly, certain type of resources needed to build the long term capacity of the organisation to undertake such projects and programmes on an ongoing basis in the future are omitted. These expenses relate to the institution-building aspects of the voluntary organisation, both in its human and physical terms. These should also be reflected in the budget for a given project, otherwise interventions for institution-building will not have any resources in the voluntary organisation.

We have noticed that most voluntary organisations do not include certain types of items in their budget. These relate to the cost of carrying out the evaluation of the project planned; the cost of staff development and training (including field visits, attending other training programmes, conducting specialised training programmes acquisition of learning materials etc.). Many voluntary organisations underestimate



the overhead costs. They underestimate the cost of the infrastructure that they already have which they are going to utilise in the implementation of the project. This infrastructure relates to the building, the typewriters, the tables, the chairs, the furniture, the support staff, typists, clerks, accountants,

auditors, governing body members etc. It is our sense that outlining all these items in the budget, with estimates of the resources needed is an useful and important practice both for the organisation itself and for the potential donors.



Some Illustrations

BUDGET NO. 1

	Year 1	Year 2	Total
I Programme Activities			
a) Training Programmes for Group Leaders			
b) Adult Education Centres			
c) Balwadis			
d) Legal Aid Camps			
II Programme Coordination			
1. Personnel			
One Coordinatior			
2 Field Supervisors			
25 Animators			
One Typist-Clerk.			
One Driver			
2. Fuel and Maintenance			
3. Other Expenses			
Stationary, Postage, Telephone, Accounts-keeping, overheads			
III Non-Recurring Expenses			
One Jeep			
Two Motorcycles			
Ten Bicycles			
One Typewriter			
Some Furniture			

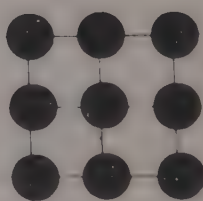
BUDGET NO. 2

A. Organisation's Core Expenses

- 1. Salary
 - (a) Field staff salary
 - (b) Office staff salary
- 2. Administrative Expenses
 - I. Recurring
 - (a) House rent
 - (b) Printing and Stationary
 - (c) Travelling — local
outside
 - (d) Vehicle Maintenance
 - (e) Postage
 - (f) Accounts Maintenance
 - (g) Meeting Expenses/report preparation
 - (h) Miscellaneous water & Electricity
Telephone etc.
 - II Non-Recurring
 - (a) Furniture
 - (b) Vehicle
 - (c) Typewriter
 - (d) Other fixed assets
- 3. Overheads
- 4. Staff Development
- 5. Evaluation

(B) Programme Activities

- 1. Social Forestry
 - (a) Fertilisers
 - (b) Seeds
 - (c) Implements
etc
- 2. Non-formal Education
 - (a) Rent for centre
 - (b) Lanterin
 - (c) Kerosine
 - (d) Registers, learning materials etc.
- 3. Women's Economic Activities
 - (a) Fixed Assets
 - (b) Training Expenses
 - (c) House rent
 - (d) Production Cost
 - (e) Marketing Expenses
 - (f) Wages etc.
- 4. Community Health and Sanitation Programmes
 - (a) Training of the Health Workers
 - (b) Medicines
 - (c) Travelling Expenses
 - (d) Salaries of Health Workers etc.



FINANCIAL PLANNING AND MANAGEMENT

RESOURCE MOBILIZATION AND RESOURCE UTILIZATION

One of the major responsibilities for those involved in managing voluntary organisations is mobilization of resources and their effective utilization. Time and again many people working towards setting up voluntary organisations find that the task of mobilizing resources in order to implement proposals and programmes planned is one of the most difficult, challenging and time consuming affairs in the country today.

Resource Mobilization

As has been mentioned in the previous section, the basis for mobilizing resources has to be the detailed planning of the programmes and the proposals which build on that. Once a voluntary organisation knows what it wants to do and how it wants to do that, it will have some idea of what kind of resources it needs in order to do that. It is important to recognise that the meaning of the word *resources* is much broader than mere funds and money. This is so because resources include people, competence, skills, techniques and a variety of other contributions in kind, including organisational mechanisms which are essential for effective implementation of any development programme. Thus mobilization of resources as the task of management of voluntary organisations is not merely mobilizing of funds or cash needed to implement certain parts of the programme. Looking at it in a much broader view helps identify the kinds of

things, other than cash and money, which are crucial for the effective implementation of the programmes planned and thereby making sure that they are available in the manner, amount, time and location at which they are needed.

Broadly speaking, a voluntary organisation requires *three* types of resources. First are resources needed for the *implementation* of its field programmes, planned activities, etc. These include running of adult education centres, well-digging, creation of alternative irrigation, social forestry, biogas, women's economic programmes etc. These are the activities which the voluntary organisation undertakes in order to implement the overall programme planned.

The second broad type of requirement of resources for a voluntary organisation is what can be called *core expenses*. These are expenses required for the day-to-day functioning and running of the organisation itself. These, in most cases, include salaries, particularly of managerial and administrative staff, rental, electricity and water charges, stationery, postage, telephones, conveyance, etc. - everything that is needed to make the voluntary organisation functional on a day-to-day basis, things which need to be done even if a specific project activity is not being undertaken on that particular day.

And thirdly, resources are needed for *long-term institution-building* of a voluntary organisation. These are resources for building a physical infrastructure and other capital assets,

from typewriters to vehicles to buildings to land to equipment to machinery - a whole range of capital assets are needed in a voluntary organisation.

It is useful to distinguish between these three types of resources needed, in order to identify which sources are able to provide these types of resources. In the following section, various broad categories of sources available for mobilizing resources for voluntary organisations are mentioned. However, for more detailed information about guidelines, formats etc. of each of these categories, voluntary organisations will have to acquire these elsewhere.

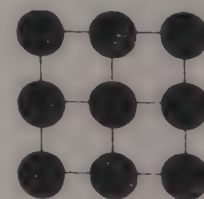
Local Community Resources

In many cases, voluntary organisations do and can mobilize several crucial resources needed for its programme implementation from the local community itself with whom it works. These contributions could be in the form of cash collected from members of the community, for example, to pay the monthly honorarium of an adult education instructor or a community health worker. They can also be contributions of time and free labour (shramdan) provided by the people themselves to build a road or dig a well or construct a school. It can be the time which the people volunteer in organising events, workshops, meetings etc.; it can be contributions of food, rice and vegetables to be given to the participants of a workshop or a camp held in the community; it can be contribution of free space like a shed for working on an economic programme, or a room or a verandah for running an adult education centre or non-formal education classes, or weekly meetings of the Mahila Mandal. Besides, the local community contributes its motivation, commitment,

involvement, time, energy, enthusiasm, insights, experience, knowledge, competence and skills towards implementing any development programme. Looking at it from this angle, the local contribution towards overall resources needed for implementing the programme of a voluntary organisation can be substantial and, in some cases, can even be more than half of the total resources needed.

Many voluntary organisations find it difficult to mobilize local resources, particularly because the cost and effort of mobilizing such small contributions appears to be prohibitive. But if a broader understanding of resources is taken and all types of resources locally available, and being contributed, are taken into consideration, then the sum total of the resources provided by the local community is substantial, and the time, energy and effort needed in mobilizing it will seem worthwhile in that context. However, if local contribution is only viewed in cash terms, then the poor communities with whom most voluntary organisation work have very little surplus to share with others and, therefore, their cash contribution can appear to be very small. Even here those voluntary organisations which have helped build unions of unorganised agricultural labourers, fisherfolk or forest produce gatherers find that they are able to mobilize substantial cash resources as well through the membership and other occasional contributions of the members of the trade unions.

More than the amount of contributions towards resources, mobilization of local resources from the local community is also a good strategy in ensuring their involvement in and ownership of the programme. By going to them, field workers of the voluntary organisations not only explain to them the



programmes, the purposes of the programmes, the likely outcomes and benefits but they also make sure that the local community gets involved in its planning, elaboration and implementation. This perhaps is a major outcome of undertaking intensive efforts at local resource mobilization. However, the experience suggests that generally local resources are most commonly available for direct programme activities and rarely to core support or institution-building.

Government Resources

Increasingly in recent years, and regularly from the days of independence, the Government of India and other state governments and para-statal bodies in the country have been a major support to the programmes of the voluntary organisations in the country. In recent years, programmes in adult and non-formal education, child and women welfare, health care, environment, women's economic programmes, labour welfare and for a host of others, programme resources are available from the government for a variety of schemes, activities and projects of voluntary organisations. With the formation of the Council for Advancement of People's Action and Rural Technology (CAPART) and its initial enthusiastic response, a large number of additional resources have become available to voluntary organisations through this source.

Besides, funds are also available for specific research and training efforts in scientific fields from such institutions as the Indian Council for Social Sciences Research, the Indian Council for Agricultural Research, the Indian Council for Medical Research, etc.

Most of these funds are available for programme activities

and only occasionally for core running expenses. In fact, they are mostly available for a tailor-made scheme of the government which it is implementing otherwise and wants to propose for voluntary organisations as well. There are several problems in acquiring government resources including the classic problem of delay and bureaucratic entanglement. Many voluntary organisations find that the schemes for Grants-in-Aid to voluntary organisations are very narrow and limited, and by their rigidity, do not permit local adaptation, responsiveness or sensitivity. Secondly, the verification and clearance procedures from State governments (including the requirement of three year's registration) sometimes makes it difficult for many voluntary organisations to take advantage of these schemes. Thirdly, the release of funds, in particular the second and subsequent installments, can be inordinately delayed and can cause undue hardship for the voluntary organisation. However, despite these problems of formalities and procedures, red-tapeism and rigidity, and even occasional corruption, it is still worthwhile for voluntary organisations to utilize governmental resources for implementing certain field-based programmes and activities. Yet, this source also only rarely provides resources for core expenses and institution-building.

Other Indian Sources

Besides local support and governmental schemes and programmes, there are some other possibilities of raising support for the activities of voluntary organisations from other Indian sources. Some Trusts and Foundations have been set up by business and industrial houses which support charitable development activities. These have been largely in the area of

health, education, support to the destitute and the handicapped, etc. In recent years, many of these Foundations and Trusts have also given support to more innovative and development-oriented, and less welfare and service-oriented, voluntary organisations and activities. In recent years, some additional institutions have emerged: these are the Ashoka Foundation, the Sruti Foundation, CRY, etc. which raise resources locally from individuals and organisations in the country (and some times supplement them with support from outside) to provide funds for individuals and organisations working in a variety of developmental activities.

In certain parts of the country like Gujarat, Maharashtra and Karnataka there has been a history and tradition of supporting charitable and constructive work for the development of the poor and the deprived by various business and commercial houses, and they do provide occasional funds for development programmes of voluntary agencies. By and large, these funds are few and the resources are limited. Their support to the programmes and projects of the voluntary organisations are also limited and are many a times restricted to specific programme activities over a short period of time. Many of them only give a one-time grant for a start-up or a new initiative. Yet these can be explored in different regions of the country and could be an important source of support for a specific part of the resource requirements of voluntary organisations.

Multi-Lateral Organisations

Several UN organisations provide occasional support to the activities and programmes of voluntary organisations. The

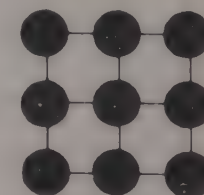
multilateral organisations of the UN system like ILO, UNESCO WHO and FAO have historically been providing support to voluntary initiatives and organisations in a limited manner in the areas of their scope of work. In recent years, UNICEF, the United Nations Environment Programme(UNEP), and the United Nations Population Fund have also become big supporters of voluntary organisations and have been providing funds for their activities. The UN organisations provide support to programme activities, some times for core support and some times also for capital expenditure items for the programmes. However, in our country, any support to the programmes of voluntary organisation from such UN organisations requires prior approval of the government of India (though these multi-lateral sources are not covered under the Foreign Contribution (Regulation) Act).

In recent years, barring UNICEF, the United Nations Environment Programme and United Nations Population Fund, etc. other organisations have also made small contributors towards programmes of voluntary organisations.

Foreign Sources

Broadly speaking, there are three types of foreign sources active in our country which are possible sources of support to the activities and programmes of voluntary organisations. See Annexure II for details.

The first source comprises of the agencies of the foreign governments - these are the aid agencies like USAID, CIDA, SIDA, DANIDA, NORAD etc. which have their offices in their Embassies and High Commissions in India which support, on a limited basis, certain types of programmes and activities of



voluntary organisations. Of course, all grants from such agencies have to be given prior permission by the Indian government and these funds are considered as foreign funds under the FCRA.

Secondly, there are some Foundations which have been active in India, primarily Ford Foundation, Aga Khan Foundation etc., which have been set up in other countries through initial investments and contributions by certain business houses or rich persons. These Foundations also provide grants to voluntary organisations in India. Many other Foundations are active in North America and Europe and do not have their offices in India but support voluntary organisations' programme and activities in India. Contributions from such sources are also considered as foreign funds under the meaning of FCRA. These Foundations have been able to provide support not only to programme activities but also to core expenditures and, at times, for capital expenditures of voluntary organisations. Many of these Foundations, however, find it difficult to provide support to small projects and programmes because of the load of managing several small proposals.

And thirdly, various non-governmental organisations established in different countries of the north - North America, Australia, New Zealand and Japan, have been historically providing funds to the activities and programmes of voluntary organisations in this country. Oxfam (UK) is one of the oldest in this regard, but in the last decade organisations from Germany, Holland, Belgium, France, Switzerland, Australia, New Zealand, Canada, and America have also been very active. Most of these non-governmental organisations raise contributions from concerned citizens and institutions in their

own countries for supporting the activities and programmes of voluntary organisations in the Third World Countries. Some of them also receive matching contributions from their governments to support programmes of voluntary organisations in developing countries. Generally, these sources are very flexible in their support for various activities and items of voluntary organisations; they do provide support for programme activities, for core and running expenses and also for capital expenditures. Many of these organisations have a system of processing applications which is very efficient and quick and they are able to handle large number of applications speedily and effectively. Contribution from these sources are considered as foreign contribution under the meaning of FCRA.

There are variety of problems and difficulties in obtaining support from foreign sources for the activities and the programmes of voluntary organisations (see Annexure III for details). Yet these sources can be a useful supplement to other sources in supporting the overall programmes and proposals of voluntary organisations.

Resource Utilisation

The second and important component of financial planning and management is effective and efficient utilisation of resources and funds so mobilized for its different programmes and activities. It is important that funds raised are used for the purposes they have been raised, in a manner that is both financially appropriate and legally recommended. For this purpose voluntary organisations need to engage in several types of systematic activities.

a) Budgeting and Monitoring Expenditures and Incomes

According to the budget prepared and the funds obtained, voluntary organisations must periodically and regularly monitor expenditures under various budgeted heads so as to make sure that these expenditures are in line with the budget, and that any variance from the budgeted amount is understood, explained, and acted upon such that there is no sudden or an unexpected shortfall of these resources later in the period.

Similarly, projected income according to the budget and the commitments of the donors have to be regularly monitored. Many a times, donor agencies have to be sent reminders for release of second and subsequent installment, and this is possible only if the budgeted income is regularly and periodically monitored. Thus monitoring of incomes and expenditures according to the budget, and revising the budget in the light of new information and developments is an important financial management exercise for voluntary organisations.

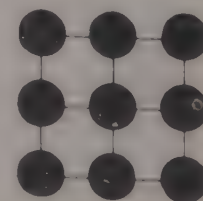
b) Accounts-Keeping

Proper and systematic accounts-keeping is a major requirement in voluntary organisations. This is a statutory requirement under the Societies Registration Act, The Trust Act, The Income Tax Act, The Foreign Contribution (Regulation) Act and a host of other legislations. Maintaining proper accounts in a double entry format with properly written cash books, ledgers, journals and subsidiary books like asset register, postage register, purchase and sale registers, etc. is crucial not only to ensure proper information and recording about various financial transactions, but also to meet various legal and statutory requirements. Periodic monitoring of

accounts-keeping systems through trial balances and preparations of final statements of accounts like Income and Expenditures Statement, Receipt and Payment Statement and Balance Sheet, and timely and complete audit of these accounts is an important part of the requirement of proper accounts-keeping in voluntary organisations.

Many voluntary organisations do not pay sufficient attention to this aspect of managerial responsibility. This is so partly because senior people and founders of voluntary organisations themselves do not necessarily pay much attention to this aspect of house-keeping. They feel that accounts-keeping is a necessary evil, and somehow must be done but they do not necessarily put in the required time and energy needed to supervise its proper maintenance. Secondly, many people in voluntary organisations themselves do not understand how to maintain accounts properly, and therefore they are not able to exercise any check on this. Because of these reasons, voluntary organisations also do not keep full time personnel who could properly and effectively keep accounts, and part-time, inexperienced and untrained persons are forced to maintain some semblance of accounts.

As an integral part of the managerial responsibility in a voluntary organisation, proper accounts-keeping must be ensured. This is important for ensuring that records and controls exist for receipt and expenditure of funds. This is of crucial importance not only for ensuring that funds received are properly and effectively utilised, but also for appearing scrupulous and full of integrity in the eyes of the environment. It is important to recognise that whenever vested interests allege mismanagement in a voluntary organisation, they



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largely point their fingers at the manner in which accounts are being kept. And whenever investigating agencies or other forces want to harass a voluntary organisation they come and enquire about the books of accounts and the manner in which they are kept. Therefore, it is of extreme importance that full care and attention is paid in maintaining accounts.

Finally, one of the important functions in utilization of

resources is timely, proper and effective reporting. Most donors demand periodic reporting of expenses incurred, and some even provide formats for the same. Some ask for quarterly, some six monthly, and some for annual reports. It is important that these reports are prepared in time in the format prescribed and then timely submitted.

REGULATORY ASPECTS

One of the crucial aspects of the management of voluntary organisations is effective management of various regulatory aspects that affect a voluntary organisation. Regulations are laws, rules, procedures, those constitutional statutory and legal provisions which are expected to be followed by a legal entity like a voluntary organisation. Of course, there are a host of constitutional provisions which affects all individuals and organisations in the country. They are not uniquely or specifically focused on voluntary organisations. For example, the Indian Penal Code affects every individual in the country and therefore, is something which is of common relevance. However, there are three broad categories of legislations and attendance rules which constitute regulatory aspects in a voluntary organisation. The first category relates to legislations of *registration*, the form in which the voluntary organisation is registered. The second aspect relates to *financial matters* and legislations governing that. And the third aspect relates to people, staff and *labour related* legislations. These have been mentioned here briefly so that those responsible for managing the day-to-day functioning of a voluntary organisation can pay attention to the implementation of these legislations in a proper and effective manner.

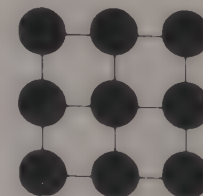
Registration-related

The regulatory aspects related to registration legislations

are essentially based on the requirements of the legal form in which a voluntary organisation is registered. As has been mentioned earlier, the Societies Registration Act is the predominant form in which most voluntary organisations are registered. Besides the central legislation, there are also state-wise variations in certain states (Appendix-A). These central and state legislations for Societies Registration Act specify the manner in which certain records have to be kept and certain reporting has to be done. This is an essential part of ensuring that the rules formulated within the Societies Registration Act are followed carefully. Another common formal registration is the Trust and, in Maharashtra and Gujarat as mentioned earlier, the Public Trust Act provides for a elaborate mechanism of rules and procedures which must be adhered to by any voluntary organisation registered in Gujarat and Maharashtra. Thus the form in which a voluntary organisation is registered provides for the legal provisions and the consequent rules which require certain formalities to be followed, certain procedures of record-keeping and certain periodicity and manner of reporting to the concerned authorities.

Finance-related

Regulatory aspects with respect to financial issues contain certain legislations which affect voluntary organisations specifically. The first and the most common application is that



of the Income Tax Act 1961. This Act specifically provides certain sections - 10, 11, 12 and 13 which deal with charitable organisations. It is these sections which govern the manner in which the Income Tax Act 1961 applies to voluntary organisations. In particular, these sections provide for ways by which a voluntary organisation must register with the Income Tax Authorities within the first year of its constitution; the manner in which its books of accounts should be maintained and various financial transactions ensured; the manner in which the annual returns, the audited Balance Sheets and Income Expenditure Statements must be submitted, alongwith other forms (including the payment made to the members of the governing body) and amount applied towards charitable purposes during the given year, and the manner in which contributions to a voluntary organisation can be tax exempt under section 80G. Since then, in December 1987, the Government of India has enacted certain amendments in the Income Tax Act as it applies to voluntary organisations by creating a new section 80F. So far, the implementation of this section has been deferred till April 1990.

It is important to recognise that the mere statement of purpose as charitable and non-profit by a voluntary organisation does not entitle it to a non-profit status in the eyes of the Income Tax Authorities. The Act, as it currently operates, provides for annual returns to be filed by all organisations in a prescribed manner after initial registration. These returns are then examined by the concerned Income Tax Officer and only then a non-profit status or non-taxation status is conferred. This is an exercise which needs to be carried out every year.

The second major legislation which affects certain voluntary organisations in the country (specifically those which seek foreign contributions and grants for their programmes and activities) is the Foreign Contribution (Regulation) Act 1976. This Act, alongwith its rules and formats as amended in 1985 requires that any voluntary organisation, before it accepts foreign grants, must be registered with the Ministry of Home Affairs, or seek its prior permission, and must provide six monthly information on the receipt and utilization of foreign contribution in prescribed formats, including an annual audit. The Act also provides for the manner in which these funds have to be spent and the procedure for maintaining books of accounts for such funds. There is also provision in the Act for receipt of contributions in kind. The Act also provides for barring certain organisations which cannot receive foreign contribution.

It is important that the rules and procedures operating under FCRA Act are strictly adhered to by voluntary organisations which are receiving foreign contributions and grants. This is important because the law of the land demands that any receipt must be reported and accounted for on a prescribed form, and specifies serious penalties for any violation.

The experience of several small voluntary organisations in the country is that their attempts to follow the legislations related to financial aspects have been extremely difficult. Maintaining books of accounts in the fashion in which it is required by these legislations requires having trained full-time accountants which is many a times not possible for those working in remote areas with small budgets and small groups. Similarly, access to readily available and competent Chartered Accountants in distant and rural areas has been a

problem faced by many voluntary organisations.

There are a series of difficulties that voluntary organisations are experiencing in respect of the implementation of the FCRA. Many of them have been denied registration, very few of them are granted prior permission and a host of others are facing inquiries and questioning in various other ways. Therefore, the process of management of voluntary organisations must ensure effective and proper adherence to these laws which relate to financial aspects. This is of crucial importance, otherwise the integrity of a voluntary organisation and its leadership is questioned if norms, procedures, rules and regulations enshrined in the statutes in respect of the financial aspects of voluntary organisations are not followed, both in letter and in spirit.

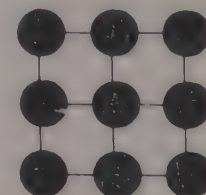
Personnel-related

The third major category of regulatory aspects in respect of a voluntary organisation are laws and legislations which deal with people, broadly called labour legislations. Under this category come several legislations which affect voluntary organisations. Many of these legislations are also state legislations and some have amendments and variations in the states. Therefore, a careful study of the prevalent legislation applicable in a given state needs to be made before detailed action can be planned and taken. Part of the responsibility for the management of voluntary organisations is to have up-to-date information about the status of different legislations and their applicability to the given voluntary organisation. In this section, some of these important legislations are briefly enumerated.

The Shops and Establishment Act

The first important legislation is the Shops and Establishment Act. These acts were passed in the fifties and are a matter of state subject, so each state has a separate act. For example, the Delhi Shops and Establishment Act was enacted in 1954. The Shops and Establishment Act provides for certain basic minimum requirements with respect to such organisations which are usually not covered under the Factories Act, or the Plantation Act, or the Mines Act. Therefore, the Shops and Establishment Act normally covers commercial, service, office-types of organisations in different states and union territories. In order to determine the strict legal applicability of the Act, it is important to study the relevant state level legislation and the section dealing with its applicability. Thus in certain states, charitable, non-profit organisations registered as Trusts or Societies are not specifically included in the purview of the applicability of this Act. But the Delhi Shops and Establishment Act very clearly includes Societies, registered or not, and the Societies Registration Act and other trusts set-up for charitable and other purposes (even if they are not registered).

The Act lays down various aspects governing the employment of people in such establishments. It provides for minimum and maximum working hours, weekly holiday, leave, provision for recruitment, appointment, suspension and dismissal, etc. Thus this Act can become a basis for establishing certain rules of employment and service in a voluntary organisation, should that be considered necessary. Where this Act is strictly applicable, the provisions entailed in the Act must be adhered to as minimum provisions in respect of these aspects. In states where Shops and Establishment



Acts do not specifically include voluntary organisations, it may still provide a guideline or basis for formulating such aspects as working hours, weekly day off, leave, etc. etc. Thus the Shops and Establishment Act can become a basis for creating certain procedures and rules of functioning should a voluntary organisation so decide.

Minimum Wages Act 1948

This is a central Act enacted to provide a minimum wage for certain types of employment where the exploitation of labour has been continuing. The Act is applicable to all types of organisations which have people working on certain types of employments and jobs. Different states are authorised to fix different rates of minimum wages for different categories of employees. Thus the minimum prescribed rate of wage applicable in a given state, region, or territory for unskilled labour can become a basis for payment to various types of labour, employees and staff in the voluntary organisation.

Given the fact that this is a legislation, intended to provide minimum subsistent wage to the labourers, voluntary organisations must find ways to implement this Act with respect to their own people, as well as struggle for the implementation of the Minimum Wages Act for the other rural and urban poor of the country.

Equal Remunerations Act 1976

Another related act is the Equal Remunerations Act 1976 which prescribes that equal remunerations should be paid to men and women workers for similar kind of work. This is a central legislation which was enacted to prevent discrimination against women workers on the grounds of

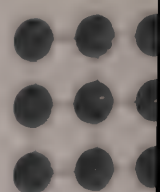
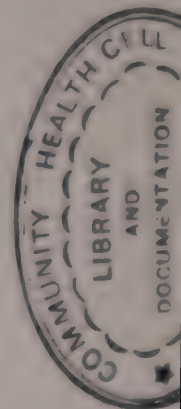
gender. The Act is applicable to all kinds of organisations in the country, and voluntary organisations, particularly those working for the advancement of women, need to pay special attention to the implementation of this Act, both inside their organisations as well as in the area of their work.

Then there are certain social security and welfare legislations which provide for certain special benefit to the staff of an organisation. Some of the relevant ones are mentioned here.

Maternity Benefit Act 1961

The Maternity Benefit Act 1961 was enacted as a central legislation covering all kinds of organisations in the country to provide for some benefits of leave with wages to women workers and staff during their period of maternity. The Act provides that fully paid maternity leave of a total of 12 weeks for every woman employee (possibly six weeks before and six weeks after the delivery) for those who have already worked for 160 days in the previous 12 months. This is applicable for the first three children. The Act also restricts employers from discharging or dismissing any woman staff during her maternity leave.

Given that this Act was legislated to take care of the needs of women workers during child birth and immediately afterwards, as a support to the continued employment of women, all voluntary organisation must strive to implement this Act, both in their own organisations as well as in those around them.



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Employees Provident Fund and Miscellaneous Provisions Act 1957

The Employees Provident Fund and Miscellaneous Provisions Act 1957 was enacted for long-term savings and security through the provident fund for employees in factories and commercial establishments. The Act is strictly applicable to those which are covered under either the Factories Act or Shops and Establishment Act and have staff of twenty or more persons. Cooperative Societies and early period of three to five years of a new establishment are exempt from the purview of this Act.

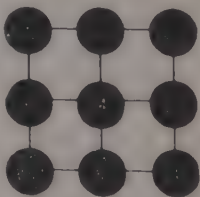
The Act provides for two possibilities of creating a Provident Fund. The first one is the fund with the government through the Provident Fund Commissioner; the second is the fund that an organisation can create for itself, register it as a trust, and open a separate bank account for this fund. In order for the fund to be used for exemption under the Income Tax Act for individual contributions, it can be registered with the Income Commissioner of the area. The own fund created by voluntary organisations can be managed by a Board of Trustees from among the staff itself and therefore becomes flexible and easy to operate for loans and advances to its members.

Even though the Act may not be strictly applicable to those voluntary organisations which are not covered under the Shops and Establishment Act or the Factories Act, Provident Fund may be a useful staff welfare scheme for all voluntary organisations, as it provides for possible savings and future securities to some extent for those working in a voluntary organisation.

Payment of Gratuity Act 1972

The Payment of Gratuity Act 1972 is another welfare legislation which provides for some financial security to the staff of a voluntary organisation at the time of their retirement or leaving the organisation. The Act is strictly applicable to those voluntary organisations which are covered under the Shops and Establishment Act and have more than 10 employees. The main provisions of the Act is payment of gratuity at the rate of 15 days wages for each completed year of service, calculated on the basis of the last salary drawn to the staff (up to a maximum of Rs. 1600/- per month) if they have completed five years of service. The Gratuity scheme is useful even for those voluntary organisations which are not strictly covered under the Act as it is another way of providing long term security to the staff working in the voluntary organisations. It is possible to design one's own Gratuity scheme even if the law is not applicable and thereby create provisions for keeping some funds aside to be paid to the staff after they have completed a certain number of years of their work within the organisation.

The question of various welfare schemes and their application in the voluntary organisation is to be considered as a question of retaining, motivating and developing the staff of the organisation. It is becoming increasingly difficult for individuals to commit their lifetime to social work without any sufficient provisions for taking care of their minimum material needs. Some of these provisions are mandatory and statutory, and therefore, must be adhered to by all voluntary organisations. Some others are optional depending on whether the Shops and Establishment Act or other such Acts



or the Factories Act are applicable to a given voluntary organisation or not. But these Acts formulate the basis for employee welfare schemes in our country and are used as guidelines for developing welfare schemes for a variety of staff in a variety of organisations. Therefore it may be advisable for all voluntary organisations to keep these Acts and their provisions in mind while developing welfare and benefit schemes for their staff over a period of time.

There are two other legislations which are also applicable to voluntary organisations many a times quite the opposite to the wishes of those running such organisations. The first Act is the Trade Union Act which creates the possibility for the workers of an organisation to constitute a Trade Union. All organisations are covered under this Act, unless specifically exempted from it, and therefore, staff of a voluntary organisation can form a Trade Union inside the organisation, if they so choose. The Act provides for certain guarantees, obligations and rights to those who are in the leadership of the trade unions and their members and the management of the voluntary organisation.

Another legislation which is applicable to all organisations, including voluntary organisations, is the Industrial Disputes Act 1940. This Act provides for the possibility of developing employer-employee relationship and regulating the same. The Act is applicable to all kinds of organisations including charitable, non-profit voluntary organisations. The Act provides for raising of individual or collective disputes by workers against the management of an organisation on issues related to their service conditions, disciplinary action, retirement, retrenchment etc.

There is an alternative bill that the government has

legislated and is in the Parliament called the Hospitals and other Educational Institutions Bill which, when enacted as a legislation, would exclude the applicability of the Industrial Disputes Act to voluntary organisations. That Bill and its provisions will then become applicable to voluntary organisations. The machinery of the Labour Court, conciliation, arbitration, and adjudication provided for under the Industrial Disputes Act is applicable to voluntary organisations till the new bill becomes a law.

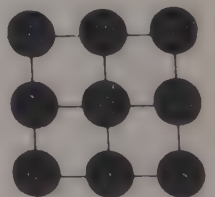
Many voluntary organisations and their managements are particularly concerned about the applicability of the above Acts - the Trade Union Act and the Industrial Disputes Act. They feel that these two Acts should not be applicable to non-profit, charitable voluntary organisations. Yet both these Acts provide for the regulation of the relationship between the employer and employee and, in particular, provides for the rights of the workers in the face of harassment, intimidation or exploitation by their employers. More important than fighting the legal applicability of these Acts perhaps is the question of creating a management process whereby the workers of voluntary organisations feel that they are a part of the organisation such that getting organised as a Trade Union or invoking the provisions of the Industrial Disputes Act does not become the manner in which they raise issues of concern and grievances inside the organisation. If the culture inside the organisation, the overall management process and various mechanisms exist for individual staff and a group of staff to raise their concerns needs and problems, and those get addressed in a sympathetic, open and effective manner, then the concerns related to the applicability of these two Acts can be minimised substantially. Thus it is a question of the

managerial competence and capability rather than the legal applicability of these legislations.

The applicability of various legislations related to labour and people issues, in terms of governing their service conditions, their welfare and rights are largely unknown to those responsible for management of voluntary organisations. There is a general notion that such laws are not applicable to non-profit, charitable organisations and that they have been created for industrial, commercial profit-making entities alone. It is important to understand that these legislations have been enacted to regulate the service conditions and the nature of the relationship of the staff with those responsible for the management of an organisation. These laws provide a legal framework, and, in many cases, a minimum framework around which relationships among the staff, and with the staff and the management of an organisation can be built, nurtured and sustained. Knowledge of these laws, their provisions and their applicability can help in devising strategies for ensuring that the staff of a voluntary organisation are satisfied, motivated, committed and feel a part of the organisation as a whole. This is necessary as increasingly forces from the

environment are impinging on voluntary organisations, making it very difficult to sustain such values of motivation and commitment that were prevalent in the earlier period.

It is an important responsibility for managing a voluntary organisation that various regulatory provisions that affect the voluntary organisation are known, understood and adhered to. Management of the regulatory aspects that are initiated from the environment of a voluntary organisation but that impinge on it, is a crucial competence in a voluntary organisation, increasingly so in the current period of time. With more and more legislations being enacted, new rules and provisions being added to old legislations that affect voluntary organisations, those responsible for ensuring an effective management of voluntary organisations need to be updated on these laws, provisions, rules and procedures and need to understand ways in which they must apply them, both in letter and spirit. It is a challenge for the managing process of a voluntary organisation that various legal provisions and regulatory aspects are looked after satisfactorily, honestly and forthrightly.



INSTITUTION-BUILDING

There are some other key issues for ongoing reflection, debate and practice in the vast arena of management of voluntary organisations. It appears that voluntary organisations in the country have enlarged the scope of their contribution and the dimensions of their role over the last five decades. From relief and welfare-oriented service delivery organisations, they have moved on to become development-promoting and innovative entities. The contribution of voluntary organisations in the ongoing process of people-centered development could imply a long-term role for the entire cluster of voluntary organisations in the country. The question, therefore, is whether voluntary organisations are preparing themselves to play these longterm roles in ways that can ensure that policies and programmes of rural and urban development in the country remain people-centred.

It appears that the task before each voluntary organisation and a cluster of them is to engage in serious planning and thinking about *institution-building*. It is important that voluntary organisations are viewed as long-term entities, geared to play a long-term role, and not a mere transient phenomena which survives a five year plan or a decade at best. It is also important to maintain the vitality, the creativity, the innovativeness, the flexibility, the responsiveness, the sensitivity, the autonomy and the critical perspective in voluntary organisations -- characteristics which make them play their role and make their contribution in promoting

people-centred development in the country. This is the challenge for institution-building.

Institution-building is not merely acquisition and creation of physical infrastructure. It may include that, but it is much more than that. At the core of institution-building in voluntary organisations is the question of the *culture* of the institution and its *philosophy*. The challenge for the management of a voluntary organisation is to continuously articulate a philosophy of managing the institution which is consistent with its vision and mission, and at the same time is able to cope with the diverse demands of multiple constituencies and the forces of diversity and complexity from within. It is important that the process of managing voluntary organisations does include the perspective of institution-building, and thereby its philosophy is futuristic, focussing on long-term building of the institutional capacities in organisations, and not merely short-term fire-fighting and solving urgent problems. This has been the most difficult task for those responsible for the process of managing a voluntary organisation. Articulation of a philosophy of management which is unique, distinctive and futuristic, which includes the perspective of institution-building, has been a rare occurrence in many voluntary organisations and a difficult one in others. We need to articulate this philosophy in order to set the tone and provide the framework which will then help us guide our daily practice in the process of managing voluntary

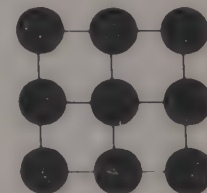
organisations.

Building of an institutional culture which is enshrined in the values cherished by the voluntary organisation - values of openness, sensitivity, competence, integrity, participation, mutual support, team work, continuous growth and development of people, etc. Whatever may be the cherished values of a given voluntary organisation, the challenge for the process of managing it lies in taking steps which help build an institutional culture that is based on those values, that reflects those values, and that helps maintain the practice of those values. These values must be the ones which are cherished by members of the organisation themselves and thereby provides the basis for building a common culture inside the institution. The question of the creation of culture is a question of creating norms, rules, procedures, systems, practices which are reflected in the way the physical infrastructure is designed and maintained, the manner in which people inside the organisation relate to each other, the manner in which they relate to those coming from outside, the manner in which the old ones deal with the newcomers, the manner in which women and men relate to each other, the manner in which multiple castes, religions and cultures, differential educational qualifications and social status intermingle in the institution's daily functioning and contribute towards accomplishment of its larger purpose. Building a strong culture is part of the task of institution-building, because it is the culture which then provides the continuity; it provides the forces of socialisation for new entrants, it provides the basis for movement from one phase to another in the life of the institution. Thus the challenge for the process of managing a voluntary organisation is the task of *management of its*

culture, its imagery, its symbols, norms, rules, procedures, systems.

The third aspect of institution-building is the issue of *building capacities* in voluntary organisations. Capacities need not be merely technical which are immediately relevant to the tasks at hand. Capacity-building in a voluntary organisation entails building those capacities which may be called upon and demanded in the future, even though they are not being used in the present. Capacity-building also entails building all-round holistic competencies in all the members of the organisation such that they are able to play multiple roles and continuously grow and develop themselves. Capacity-building in a voluntary organisation also entails a capacity to cope with the forces of growth and change as they affect an organisation. The task of management of voluntary organisations, therefore, also is the task of *managing its capacity-building efforts*. Included in this is of course the most important competence and capacity to continuously renew itself. A voluntary organisation must have this capacity for ongoing renewal mechanisms, processes and competences needed to review, reflect, revise and renew the structures and processes, the vision and the mission, the goals and the purposes of the organisation. If a voluntary organisation does not possess this capacity to renew itself continuously, it may lag behind its times, it may become out-moded, out-dated and ineffective in a contemporary sense. It is perhaps this task of ongoing renewal which is a crucial factor in the overall process of institution-building in a voluntary organisation.

And how does one go about initiating the process of institution-building and how does one ensure that the managing process of a voluntary organisation continues it?



This is where the question of leadership becomes a central issue in the management of a voluntary organisation. We have so far not talked about leadership because we felt that it is important to understand what needs to be done and why. It is important to understand why an organisation should be set-up as a registered entity and what are the implications of that. It is important to understand how programme planning can help in proposal writing and why it is important. It is important to understand what are the various types of resources and funds that exist, and why they are available for certain purposes and how they can be acquired. It is important to understand how resources can be effectively managed and used. It is important to understand what regulatory aspects affect the voluntary organisation and why. It is important to look at the various key elements in the process of governing a voluntary organisation - the management of constituencies, internal structures and processes, personnel issues, and role and composition of its governing body. Having understood all this and the predominant and overarching task of institution-building in a voluntary organisation, it is now time to talk about the leadership of a voluntary organisation.

The motivating force of ensuring effective management of voluntary organisations is its leadership - *leadership and not a leader*. Leadership needs to be understood as a process, as a force which is exerted in order for all these things to happen. Therefore, who are the people who provide this leadership? What is their personal vision, commitment, competence? What kind of life-cycle they have been experiencing? What has been their history, their past experiences? What are their future hopes and dreams? These become important elements in unleashing those forces which

then become responsible for the process of managing a voluntary organisation.

Historically, most voluntary organisations have been set-up by individuals and groups who exercise this leadership in its early stages. Many continue to remain leaders for years and decades. Many are successful in passing on the reigns of leadership to newer generations of persons inside the organisation. Many could not do so. Whenever the issue of second-line leadership, or the issue of succession is raised in the context of voluntary organisations, it essentially means that the leadership currently being exercised it is not effective and that time has come for revitalizing that leadership. If we look at the leadership as the motive in the process of managing voluntary organisations in the manner in which we have outlined above, then in fact ensuring effective leadership is an important, and perhaps the most significant, way of ensuring the effective management of voluntary organisations. How do we ensure effective leadership? How do we enhance the competencies and capacities of members of the voluntary organisations to play these leadership roles? How do we enthuse the process of leadership in a voluntary organisation? How do we recognise, support and encourage those who have the potential of exercising leadership, in either setting-up a new organisation or in maintaining those already set-up and functioning?

It appears that the future of the management of voluntary organisations in the country depends a great deal on the future of such leadership and the manner in which it is built, enhanced, supported and extended. It is on this crucial issue that important collective reflection and planning is needed

ANNEXURES AND APPENDIX

False Contradictions

In the debate on development models, processes and philosophies over the last decade, several concepts, beliefs and orientations have taken roots. These concepts, beliefs and opinions are commonly heard from the activists in the field, from project leaders, from researchers and trainers involved in development, as well as from the donors. The currency of these concepts, opinions and beliefs can be judged also from the fact that many government officials, bureaucrats and politicians have also begun to articulate and mouth these concepts.

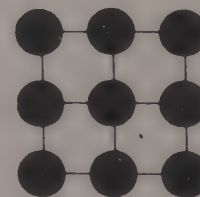
While some of the principles, concepts, phrases, opinions, beliefs, etc. have been logically argued and presented, unfortunately a large number of them remain at the level of intellectual opinions, born out of some half-baked ideas about what is desirable development, what is the desirable development process and what is the need. Unfortunately, most of these concepts and phrases do not have much roots in reality and no empirical investigation has been done to establish that either.

In this brief note, I would like to describe some of these concepts as they are posed and critique them with a view to demonstrate that these posers are false in reality and exist only in the minds of those who are articulating and writing about them. A friend of mine has in fact labelled these as "meta-concepts", which have a life of their own, an independent life away from any reality on the ground.

1. Let us go and work with the rural poor

In the last 30 years, particularly after independence, there has been a tremendous need to initiate programmes of development in remote rural areas. Many of these areas remained untouched, unvisited and without any development programmes and initiatives. In the 50's and 60's many of them were very remote, lacked any kind of infra-structure or access to government programmes and officials refused to visit them. Thus lot of non-governmental initiatives worked in difficult, inaccessible and remote rural areas.

This historical experience of the 50's and the 60's became a doctrine in the 70's and 80's. It began to be said that only good work was being done in rural areas and the problems in the rural areas were the most severe and needed the most attention; that much of the development resources were being diverted to urban centres, etc. etc. Two important facts seem to have changed this situation and thereby **made the rural-urban divide a false one**. First of all, despite all the inefficiencies of the development programmes, most rural areas have now been visited,



if not in a satisfactory manner. Access has increased and government programmes are spreading to even remote rural areas. That does not necessarily mean that the rural poor are benefitting from it.

The second more important fact is that urban population has increased dramatically and by **some estimates 40% of the people in India, for example, live in urban and semi-urban areas**. As a consequence urban poverty has also become a serious issue and a large number of urban poor, running to several million people, find lack of access to a decent living. Most development efforts seem to ignore the urban poor.

The point, therefore, is not that rural poverty does not exist, or the work with the rural poor should stop, but simultaneously urban poverty is also increasing and the work with the urban poor should be initiated, supported and encouraged, and least of all, a value of appreciation to rural work, automatically over and above any kind of urban work, should not be attached. In fact, while the practice of last 30 years has thrown up some important concepts and models of rural development which attempt to focus on the needs of the rural poor, **very little knowledge and practice exists on how to tackle urban poverty**, and how to evolve programmes that will help the urban poor. The over all resources, both from the government and from the non-governmental sources, geared towards improving the lot of the urban poor are also very meagre. Many donors like the romanticism of the rural poor and supporting the work with the rural poor and consider support to grass-roots efforts with the urban poor as mundane. In reality, in India, the situation is quite the reverse. Even subsidies and credits at cheaper rates of interest are more widely available for the rural poor under the IRDP and other programmes than for the urban poor.

The most important thing to understand is that **the forces which keep people poor in rural areas are the same which bring people to urban centres and make them urban poor**. Same set of forces make the tribals and small farmers landless in rural areas and bring their friends, relatives and compatriotes to urban centres to live on the pavements and work for meagre wages in the informal sectors of the economy.

2. Successful efforts are small and compact

Because of the bigness of programmes and initiatives by the State and the experience of inefficiency, poor performance, diversion of resources and lack of impact of those big programmes run by the state, a general notion has been formed that 'small is always beautiful'. There is a premium on working in a small area: in 2-3 villages with 50 families, with one pavement slum etc. This premium has been gradually converted into a normative position where any effort which is large is seen as cooptation, status-quoistic, conservative and ineffective. **There is a tendency among the developmental circuits to denigrate large voluntary organisations** running large integrated development programmes.

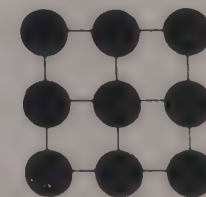
While it is true that most efforts, in order to develop roots, start small in a limited geographical area with a small

set of people, the initiative to expand, based on this small effort, need not be curbed under the guise of such woolly-eyed notions. The requirements in the field are such that gradually larger programmes have to be planned and implemented, then nongovernmental organisations must be in a position to respond to that. In fact, if one examines the forces which are keeping people poor and marginalizing them on an on-going basis, it is easy to discover that those forces are so large and comprehensive that small initiatives which remain perpetually small will be unable to cope with them. Village level organisations of the rural poor are able to face local level exploitation by the moneylenders and the landlords but are unable to cope with or deal with forces of exploitation emanating from the district or the state level. Similarly, small initiatives have typically focused on education and conscientization and organisation of the poor or a limited aspect of the development programme. But building on the process of conscientization and organisation, it is possible to evolve integrated programmes which cover various aspects of health, education, drinking water, sanitation, land development, economic activities, technology upgradation, etc. etc. with the poor. And once a programme acquires an integrated perspective, its planning and orientation will, of necessity, become large. Therefore, while condemning and questioning suddenly erected and artificially implanted large development programmes, we should be open to appreciate the need for large initiatives arising out of concrete local needs. **Thus the contradiction between small and large is essentially a false one.** One needs to work in small groups, villages and at the same time maintain the possibility of large integrated efforts which can also be efficient, effective and vital. There is a need to evolve systems of management and organisation which can cope with large programmes effectively. In fact, any kind of serious experimentation and model building may require efforts at a scale slightly larger than the very small.

3. Technical Approach is not helpful

Historically, after World War II, many development models and approaches used exclusively technical principles to promote development. It was then said that availability of technology, infra-structure, techniques, skills, resources would bring about development and improve the lives of the people. The experience of the 50's and 60's proved otherwise and much of the technical assistance and inputs were cornered and captured by the rural-urban elites and the rich. As a consequence, most non-governmental initiatives moved to the other side of using social approaches to development; educational and organisational efforts were given salience and importance.

However, the experience has shown that after an initial round of social approach, after conscientization and organisation-building, there is a need to incorporate technical inputs and approaches in development efforts. The use of technology, infrastructure, techniques, credit and other resources is essential for the poor in order to



improve their socio-economic situation. Mere awareness or knowledge of organisation is not sufficient. **Therefore, it is a false contradiction to say that technical approach to development vs social development.** In fact, both approaches are needed. The question is a combination and integration of the two, and how. Just as mere reliance on technical approach in the 50's led to no improvement in the lives of the poor, similarly exclusive and sole reliance in social approaches in the 70's also demonstrated the need to bring in technical inputs and approaches, if we are serious about strengthening the economic situation of the poor.

4. Empowerment is the key

A related debate has been that programmes which focus on economic improvement and conservation alone, in fact, do not contribute towards goals. Without empowerment nothing is possible. This has been also rooted in the history of development initiatives where initial focus on economic activities for individual families ignored the educational, organisational, mobilizational and empowerment aspects of development process. The experience, however, shows that the collective organisation of the poor and awareness-building should go hand in hand with efforts for economic improvement in income-generation.

Again, **it is not an either or situation and to posit it as income vs. empowerment is to pose a false contradiction.** Both are essential, both are necessary and one is not superior to the other in any sense of the word. In fact, most programmes which have a continued viability where the poor are able to begin to stand on their own feet have integrated economic efforts with empowerment efforts as well.

5. Non-Governmental organisations should work only at micro level

There is a premium being placed on micro level initiatives. A micro level programme and initiative is considered as hegemonous and work desirable for non-governmental efforts. And when this happens there is a criticism of micro efforts which says that such staggered small initiatives in a few villages or in a few slums in the country of the size of India will really make no difference to the status of the poor in the long run. Unless macro initiatives are taken, these micro efforts have no meaning. **This micro vs macro debate has been going on for quite some time and again poses a false contradiction.** It is possible and in fact necessary, to have a macro understanding and perspective in order to carry out our micro efforts. Many micro efforts have been carried out without understanding the larger forces and issues which affect local situations. Most change efforts and development programmes start at a micro level and gradually extend to a macro perspective.

One also can bring a macro understanding to inform micro initiatives and efforts. Similarly, a large number of micro initiatives and efforts need to periodically coalesce together, interact with each other and attempt to build

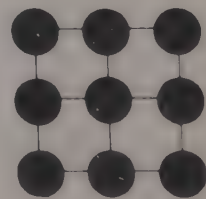
a larger lobby. **Thus to value one or the other is to value the partial.** The whole is more complex than that micro efforts are important, macro perspective is important; macro efforts are important, micro experience is valuable. The macro grows out of the micro and the micro is based on the macro.

6. Local vs global

This is a very interesting and somewhat new false contradiction. There is a great deal of importance and superiority being placed on local experience. Those which attempt to provide linkages, information-exchange, networking at State level, National level, and at global level are considered as useless, monopolising and waste of time. Activists in the field believe that the field is most important. The researchers and the intellectuals in Delhi believe that reading and writing is most important. The donors begin to believe that unless you are involved in local practice, you cannot understand the issues; and that regional networking and global linkages are a waste of time and take people away from the local work. This is, in fact, a very dangerous perspective. It is dangerous because, increasingly the world has become an inter-connected whole. The forces of oppression and exploitation are increasingly emanating from New Delhi, Paris, Washington DC. We are all part of a similar global network and while the exploiters and the oppressors are together, integrated and exchange information on a regular basis and work in a coherent fashion, the exploited and the oppressed are told to remain away in their local situation, without any efforts to link up with each other or to learn from each other.

But if we believe that learning from each others' experiences is of value, that understanding how the same set of forces operate in other states, countries and regions and that there is a need for the oppressed, and the organisations working with them to build a network of solidarity and support to counter centralised forces of oppression and exploitation, then we will also have to value regional and global initiatives and efforts, we will have to value networking, occasional workshops, exchange visits, sharing of experiences, etc. In fact, **this is such a false contradiction that local initiatives can be strengthened by building bridges at a regional and global level.** The viability and sustainability of those regional and global linkages can thus be judged only if it is rooted in supporting local action. Thus the two are complementary and not contradictory. If we want to counter the forces which are bringing in irrational drugs, new high yield variety seeds, dams, technology that is displacing labour, then the struggle has to be much more broader and at global level than in just a few villages or in a slum of any given country of the South.

We need to establish linkages with like-minded organisations and activists in countries of the North so that they can influence policies and programmes of their own governments which have such a large bearing on maintaining the present system of oppression and exploitation. While South-South solidarity and linkage is important, South-



North linkages are equally important. We can not only inform the debate in the North and strengthen the hands of our colleagues in the North to influence their countries, but we can also learn from the experience in the North. They have gone through many of those problems that we are beginning to experience now, for example, the issues of occupational health and safety, problems of urban decay, problems of overmedicalisation of society, etc. Thus the broader linkages, the global networking, exchange of experiences, building links of solidarity must be used in a way to strengthen local action as well as to initiate struggles at a level that can deal with the level of the forces of exploitation.

7. We should only respond

After the 50's and 60's where most of the development programmes were planned from the top down and the blue-prints were distributed to the field for blind implementation, there has been a trend in development debates where activists and catalyst organisations are exhorted to only respond to local requests. It is proposed that all programmes and initiatives should build on what people really need and want and people should be encouraged to articulate those needs and wants, design their programmes and implement them by themselves. The role of non-governmental organisations is limited to responding to the requests they make.

It is interesting that this principle has been stretched to a point where any effort at initiating is seen as contrary to this principle. **Thus this false contradiction that has been posed is between initiating vs responding.** Any initiative by the development promoting group is bad, all responding is good.

The practice in reality has shown that for a development promoting group which has been working with the local population, it is not only necessary but also desirable sometimes to initiate. The poor and the oppressed are not always able to articulate precisely what they need. The poor and oppressed have also been part of the hegemonic control where their minds have been manipulated by the majority culture and ideology, so the poor and the oppressed may ask for a hospital in order to meet their needs of ill-health, which could best be solved through improved nutrition and provision of safe drinking water. A development promoting group that has been in an ongoing contact with the local population must anticipate, identify and initiate issues and programmes. **But this initiative should be carried out in a manner that it does not become dumping, imposing or bulldozing.** New ideas, new issues, new programmes must be highlighted and brought to the attention of the local people. If those ideas and programmes and issues have relevance to them, they will certainly take it up and move forward. If they are not relevant, they will be dropped and there will be no response back from the people. Thus a mere responding will remain a very passive role for development promoting group; and if the poor and the oppressed were able to initiate on their own, then there would have been no need for any intermediary catalytic organisation in the first

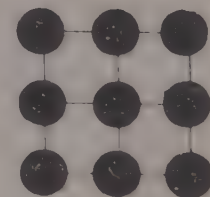
place. Thus in practice, all development promoting organisations which believe in people's participation, empowerment and initiative also take a lot of initiative on their own and therefore there is nothing wrong in taking those initiatives, provided they are rooted in the experiences of the local people and are carried out in a manner that they can choose or reject as the initiative moves forward. This is one false contradiction that is doing a great deal of damage to the activists in the field, because many of them are becoming passive respondents to all kinds of anticipated requests that are potentially going to be made by the poor. The initiative of the activists is being slowly poisoned through this false contradiction.

8. Insider is good, outsider is bad

Somehow a very interesting debate has been taking place on the role of insiders vs outsiders in non-governmental organisations. It is being said that an insider is desirable and the outsider is peripheral. Who is an insider? This is very rarely articulated and I myself am very confused about the definition of the insider. But in general, an insider is a person who comes from that same class and geographical location as the group of the poor and the oppressed with whom the person is working. An outsider is the one who is not. So generally, activists who come from slightly middle class, lower middle class background, who are somewhat educated in semi-urban and urban centres and who are from locations other than the one in which they are working, are considered as outsiders.

On a purely conceptual level, this is a false contradiction. I am an insider in the country as well as in the world. How can geographical location define me in this way? The second issue is the issue of class. It is unfortunate that this debate has led to creation of a guilt complex in those who come from lower middle class and middle class and who have chosen to work with the poor and the oppressed. If one looks at the history of political movements, political parties, trade union organisations, and a variety of other such efforts, historically, even in a country like India, you will find that most activists and organisers came from class backgrounds other than the very poor and the very oppressed and they never faced any problem and guilt complex.

It is a very peculiar situation. Many of us have made a commitment to the cause of the poor, have committed our efforts, competence, initiatives to support and strengthen the struggle of the poor, so that a more socially, economically just and egalitarian society could be created. **We should not be asked to "declass" ourselves** and pretend as if we are ourselves one of the members of the poor and the oppressed. In reality, it has been seen again and again that declassing is a myth, that mere change of clothes, food-habits, living conditions do not alter the basic personality that has been created through years of experience. **In fact, outsiders from the class, from the location, bring in important resources, information, knowledge, skills and ideas that can contribute**



to the organisation and strengthening of struggles of the poor and the oppressed. They have a role to play in supporting those struggles, catalysing those struggles, strengthening those struggles. Therefore, to feel guilty about this role is to be confused about one's own priority and directions. In fact, if the outsiders are negated and put in a corner, and not allowed to play roles that they are capable of playing and they must be playing, then people's movement and struggles will suffer. It is a dangerous suggestion and should be ignored. This tends to create a divide between activists and activists and problems inside the non-governmental organisations which may have a combination of local people as well as those who come from other areas, a combination of semi-literate workers as well as professionally trained staff. The important thing is to discover who can play what kind of role, because, there is a role for every one, nobody should be denied the possibility of playing that role on the basis of a mere whim or a fancy.

9. When are you withdrawing

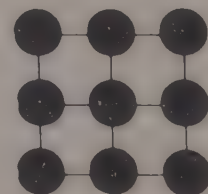
In the last ten years, a very common question being asked from grass-roots groups and non-governmental organisations is when are they withdrawing from the area in which they started working. Are you not creating dependence? It is assumed that if you are working for more than three to five years in an area, then you are no more relevant, that you must have created dependence on you among the local group and that you are perpetuating yourself and you are basically maintaining yourself and your work without any rhyme or reason. The writers on development ask this question, the donors ask this question. This false contradiction of withdrawal, because it signifies self-sufficiency and self-reliance and independence of the local people, is dangerous. It is dangerous because it is going to create confusion in the minds of the activists who are thinking of leaving midway the work that they have initiated three, five or seven years ago. When one begins an educational, organizational effort with the very poor and the oppressed, with the tribals, landless, with the women, with construction workers, that process is of long endurance. The people have been oppressed for decades and centuries; and **if the forces that have made them so continue to exist how can the work of facilitators, organizers, educators be suddenly over.** In fact, forces of oppression and exploitation are intensifying and centralizing day-by-day and under such circumstances to expect the activists to leave one area in three to five years and go put their tent in another area is to ensure that this task of mobilization and organization-building will be left undone. **It will be a de-stabilizing effect** than the effect of creating local self-reliance and independence. If one examines the practice in reality, one will find there is hardly ever any example of clear break. Activists, non-governmental organizations who have begun work with the poor and the oppressed have, over the years changed their roles, they may have played more active programme planning and implementing roles in the beginning but

gradually people acquire confidence and a competence to play those roles. In fact, activists and non-governmental organizations begin to play other supportive roles. There is a continuous need to play the role of linkages, information-sharing, providing access, etc. Therefore, while the role may shift over a period of time, I would like to pose the question have the forces of exploitation and oppression withdrawn so that we should withdraw? If not, this is a dangerous suggestion and it should be refuted vigorously.

10. Theory vs Practice

And, finally, the long standing false contradiction of theory vs practice. It is being alleged that those involved in grass-roots practice are not theoretical enough. On the other hand, grass-roots activists allege that those who are involved in research and documentation, study and analysis (and writing) are not rooted in reality as they are not practitioners. **This false contradiction seems to enhance the gulf between grass-roots work and understanding of macro situations** In reality, practice in the field begins to generate its own principles and theories. We may not be in a position to articulate it, but all of us have a theory which has arisen out of our practice. The theory that is not rooted in practice and a practice that does not generate theory will be irrelevant in any transformation. It is not desirable or conceivable that some people only think and some people only act. In fact, it is not even possible. The important thing of combining action with theory building, using theory to inform action and building a dynamic interplay between practice and theory, gets undermined and this false contradiction is posed. Many activists have begun to develop an anti-intellectual attitude where any thing which is theoretical, conceptual, is abhorred and considered irrelevant. This seems to be a reaction to some of the so called ivory-tower theorising which tended to undermine the importance of practice and negate the experience of practitioners and activists. There is a need to deliberately transcend this false concept because this gulf can seriously undermine the transformation process that many of us are committed to.

The above are some of the current jargons, metaconcepts, confusions, posers, beliefs, fashions in development debate, in particular, in relation to non-governmental organizations. There are many more. Important thing is one has to take a hard and critical look at the debate with a view to expose some of these, analyse them and use them as a way to support our work and not become paralysed by it. The greatest misfortune that these jargons and posers have done is paralyzing grass-roots activists, confusing them and affecting their work in the field and the work of the non-government organizations. It is a pity that senior activists also fall a prey to these, and are unable to clarify their positions for guiding the new ones.



Issues On Foreign Funding

In the recent debate on voluntary agencies, non-governmental organisations, and government funding, the issue of foreign funding has acquired considerable prominence. A variety of allegations have been made on all those who have, or had, been the recipients of any kind of support coming from outside the country. Much of the debate has been confused, emotional and devoid of any logical rational thinking. Therefore, there is a need to clarify what are the key issues in this debate on foreign funding and how can we understand it.

What is Foreign Funding ?

A variety of ways can be found to describe what is support from abroad in comparison to the support from within the country. Foreign Contribution Regulation Act provides one definition and attempts to regulate foreign funding of non-governmental organisations in the country. This excludes organisations of the UN system like UNESCO, UNICEF, WHO, ILO as well as World Bank and IMF. Very broadly speaking, flow of funds from individuals or organisations from outside the country to individuals or groups or organisations in India can be considered foreign funding.

What is the scope of foreign funding? It is estimated that the total flow of resources to all kinds of non-governmental organisations, including religious, semi-political, charitable etc. is now to the tune of rupees five hundred crores a year, which is an infinitesimal amount in comparison to the overall economy and budget of the country.

History

We need to situate our understanding of foreign funding in a historical perspective. In India, support from outside the country to people's struggles, actions, education, health etc. has been more than a century old. Even during our independence struggle, a lot of people in England, and in other parts of the world, supported our struggle in material terms. Many of them provided support to leaders of the freedom movement visiting those countries and many of them contributed their small amount in strengthening the Indian struggles for freedom. A variety of religious and charitable organisations have been providing relief, educational and health facilities to the deprived masses in different parts of the country for more than sixty years. Thus, there is a very long history of

foreign support to Indian efforts.

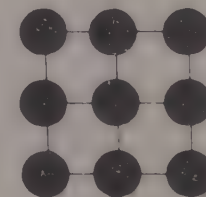
In recent years, perhaps after the mid sixties, the flow of foreign support to development initiatives and actions has increased in volume, but not necessarily in real terms. The range and variety of sources of this support has also greatly increased in the past two decades.

Types of Foreign Funding

When we talk about foreign funding, we need to understand that not all funding is alike and there is a great range and variation in the nature, scope and type of support coming from outside the country. First, and most predominant form of foreign support, is bilateral, which is from a foreign government to government of India. This constitutes a major component, something like 95% of all resources coming from outside towards development in India. A variety of governments in the North support a variety of development programmes of the government of India in bilateral agreements. This has been called Aid, and a lot of questioning has been done to what extent this aid really helps in the development of the countries of the South. Increasingly, there is evidence that Aid from the North to the South is tied, supports the industry of the North, results in distorted local development, and ends up in net outflow of resources from the countries of the South. Some of this bilateral aid is also made available occasionally to some non-governmental organisations. Under the terms of bilateral contract, it is possible that a small portion, something like one per cent of some of these contracts, may be available for non-governmental organisations to support the government's specific development programmes through education, people's participation, research, documentation, training, etc. etc.

The next is multi-lateral aid. This is the aid which comes through the UN system, and now more predominantly through the World Bank and IMF. This is also a massive amount in the Indian context and largely supports government's development policies and programmes. In recent history, there have been some examples where World Bank has supported non-governmental organisations as part of its package support to the Indian government. The example of monitoring the rehabilitation of displaced persons due to dams in Gujarat comes to mind.

The next type of foreign support comes from a variety of solidarity groups, trade unions and other groups in different parts of the world. International trade union federations have constantly supported trade union efforts in India. This has been true for all shades of trade unionism and all colours of ideology. Similarly, solidarity groups have been supporting specific solidarity actions like human rights violation, violation of the rights of indigenous people, women's issues, environment, ecology etc. These are solidarity groups created in the North where people believing in that cause, contribute, either through formal membership or through periodic contributions



to the groups in the North, which then assist specific rehabilitation, relief or development efforts in India. A recent most dramatic example is the rehabilitation and relief of victims of Bhopal Gas Disaster for which several solidarity and support groups in the North have come up.

Then there are non-governmental organisations in the North who give support to non-governmental organisations in the South. This has been particularly true of Europe, and recently in US and Canada. These groups are also of three types. Historically, the most important category has been the Church Groups, both the Catholic and Protestant. These groups, through their Church contributions and members, collect donations which are then used to support relief, rehabilitation, development and promotional work in India (as in other countries). In the last 20 years Church supported NGOs in the North have increasingly supported secular development initiatives in India, and this is a growing trend. The second type of NGOs in the North are those which are secular NGOs which have come together around an issue or a type of development philosophy. They also receive contributions from individuals and groups in the North to support specific development programmes in a country like India. Some time both these types of groups can receive matching grants from their government's aid programmes. A good example of that is Germany and Canada. Canadian International Development Agency (CIDA) does support Canadian NGOs contributing towards development efforts in India. A third variety, of course, is the Foundations. This has been predominant in case of United States of America. The Ford Foundation and the Rockefeller Foundation over the last 30 years, are very visible symbols of this type. These foundations have used accumulated resources of various business houses to support philanthropic and other activities in the countries of the South. Many of these Foundations support research, training, higher education efforts. Interestingly enough, the foundations' support goes to NGOs as well as to governments. The classic example is Ford Foundation where more than 3/4th of its support in the last 30 years has gone to government and government-sponsored institutions.

Besides all this, in recent years, there have emerged a variety of other mechanisms. A very interesting and increasingly popular mechanism is individuals in the North sending support to groups or organisations in the South. Women's organisations, consumer movements, environmental groups etc. have received this kind of support more frequently.

Besides this direct support to development activities in the South, there are a variety of indirect mechanisms which have also come in use in recent years. The most classic example is to seek support for publications and documents produced in the South. If this support is received in highly inflated foreign currency, then it amounts to a substantial amount of support that can also be used towards other activities of the organisations. Similarly selling of services like training, research as well as publications, audio-visuals etc. is another mechanism through

which foreign resources are coming in.

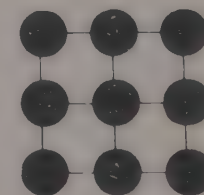
It should also be kept in mind that much of what appears like government's own development resources is in a sense foreign money. PADI was originally set up to support voluntary agencies in India through foreign funding received from bilateral programmes by the government of India. A large amount of resources now being distributed to NGOs by a variety of government programmes, departments and ministries are foreign funds received from bilateral agencies of the North. A classic example is USAID funds available to Ministry of Health, Women Welfare, Environment, Irrigation, etc; NORAD (Norwegian) funds are available to Ministry of Labour; SIDA (Swedish) funds are available for Wasteland Development; Dutch funds available to Forestry and Women's Programmes, (and now to Education for Women's Equality) etc. etc.

Given this vast variety of flows, mechanisms, conduits, pipelines, etc., it is very difficult to say that a specific rupee being spent by a social action group is purely Indian or purely foreign; and in all likelihood, it is partially indigenous and partially tainted by the winds and colours of regions beyond our frontiers.

Rationale

A variety of rationales have been forwarded in support of foreign funding. The four most common as well as most realistic ones are as follows:

1. Foreign resources have been available in a flexible manner. When we say flexible, it is in comparison to resources available within the country. Government resources available are for rigid, tight, well-structured programmes and do not provide the flexibility necessary in pursuit of any developmental process or activity. This has been perhaps a very important contribution of foreign funding.
2. It has been quick in availability. While various Ministries and departments of government could take months and years in processing a small proposal, foreign resources and agencies have been very quick in responding to specific requests. Depending upon the size of the proposal the response can be from four weeks to six months.
3. The third, perhaps most important, rationale has been that foreign resources have supported very progressive social action, mobilization, organisational work in the country. This has led to creation of people's movements and organisations, and has provided opportunity to the activists to be able to stand up to the vested interests who could significantly influence resources coming from the government, in case their interests were hurt. This is, in fact, a major criticism of government funding as well, and, in the last five years many examples exist where external forces and threats from the vested interests of the region where the voluntary agency has been working, or internal fights, confusions and critiques within the ministries and departments have left tens and hundreds of voluntary agencies in the lurch where their funding has been suddenly stopped without assigning



any reason. The classic example is, of course, the National Adult Education Programme where one fine morning in early 1980, telegrams were sent to thousands of adult education programmes throughout the country asking them to stop at once, without assigning any rationale or without compensating for their expenses. This is a crucial issue to examine because we do believe that organisation, education and mobilization of poor people tend to affect and hurt the vested interests which in turn may be able to force the government to cut-off its support to that group; and, how reliable is government support and how crucial is support available to these activities from other sources?

4. In most of the creative and innovative efforts in the country, foreign support has been historically available; whether it is design of a new handpump or a new health programme or adult education primer or training methodology or innovative irrigation scheme etc. etc. This is so because creativity, innovation and experimentation entail risks and resources to underwrite that risks are hard to come by. Most indigenous resources from Governments' programmes and departments are specifically tied to the implementation of a scheme and not to experimentation and risk-taking.

Critiques

Foreign funding has been criticised on a variety of grounds. Many of them are flimsy, many of them are not based in reality. Three predominant criticisms have been as follows:

The first and most simple level of critique of foreign funding has been the concept of patriotism. This critique goes like this. Why should we use resources from outside the country to develop our own people and promote development in the country? This is unpatriotic and we should not show our weaknesses to outside world. This criticism, of course, seems to ignore that the governments of this independent country right from the day of independence have continued to increase their use of foreign resources, grants, aids, collaborations etc. etc. to finance, promote and implement development programmes. Besides, in a world which has become increasingly international, where economies and countries are increasingly inter-related and interdependent, it is hard to believe that any country can isolate itself from international linkages, flows of information and finance. As a result, this critique is largely irrelevant.

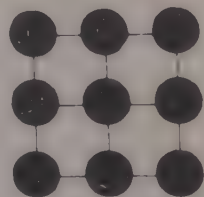
The second critique implies that the use of foreign funding increases our external dependence on the sources to carry out programmes of development and activities of organisation and mobilization within the country. Availability of foreign funds, in fact their easy and quick availability, enhances and perpetuates dependence on them. As a result, efforts to create indigenous and local support to peoples' movements, struggles and organisations are not effectively created, developed or sustained. While there is some basis to this allegation, it

is difficult to understand how this applies only to foreign funding. Easy, quick and flexible availability of government resources, as is the case during the last one year' can also lead to similar problems of dependence on government resources and distract the activists from working hard towards sustaining and developing indigenous resources.

The third and more profound criticism is that emanating from some Marxists where flow of foreign funding to NGOs and social action groups is seen as a part of a deeper and dangerous conspiracy to defuse people's movements, organisations and struggles in the countries of the South. In the specific case of India, it is alleged that availability of foreign funds tends to divert the attention from class struggles and class organisations to organisations of women, tribals, issues of health, environment, education, forestry, etc. This critique can only be discussed at macro, conceptual level because concrete information to support this critique is yet to be generated. Macro questioning of this critique will have to be dependent on our macro philosophy and if we believe the conventional Marxist wisdom is no longer applicable to the present state of affairs in the world (as has been demonstrated and argued by the Marxist government in West Bengal as well), then this is a rather long-winding argument. Yet, it is difficult to believe that the criticism of foreign funding as an imperialist strategy is merely a philosophical and conceptual one. It appears that this criticism is partially motivated by the fact that many well-known Marxists and leftist organisers and leaders have left the party in disgust and have moved to this sector in organising peoples' movements and struggles, and have received support for this.

Besides these, there is the usual allegation of foreign funding being used to support religious conversions. This is generally argued in respect of Church related funding. In the last 5-6 years, there has been increasing flow of money from outside for Sikh as well as Muslim religious and educational institutions, the former from the North, and the latter from the Middle-East. It has also been used for religious purposes and educational purposes in the Gurudwaras and Mosques. Therefore, it is difficult to believe that flow of foreign funding is only used for conversion into Christianity, and not to any other religion. Besides, use of funds to force people to change their religions is a more general issue; it is not just with respect to foreign funding. This can apply to funds available within the country as well and of course, the Hindus being predominantly inside India, can also be said to use their resources to convert people as well. Then it will not be a critique of foreign funding or would it be?

Where do we go from here? There is a need to have a clear-headed, rational and open-minded debate on this issue. There is a need to understand the limitations and potentials of foreign or any other funding. Let us begin to examine why the need for funding of any kind. When we work with the poorest sections of the society and we work with the landless, with tribals, with the unorganised workers in the informal sectors of economy, then we face a situation where large masses of people have not been conscientized and organised. In fact, if they had



been, perhaps there would have been no need for us and our kind of work. Advanced sections of the class have not necessarily come forward to conscientise and organise the weaker sections. For example, the unions and workers' organisations from the organised sector of the industry have not done significantly much to support the conscientization and organisation of the workers in the unorganised sector or in the agricultural sector. When we work with weakest sections of this class, we are faced with the situation that the members of this class are so poor that they do not have any surplus. Therefore, their ability to generate surplus to support an activist from among themselves does not exist. This has also been witnessed in the trade union movement where weaker sections of the class (like textile workers and contract workers) do not fully support the organisers and activists in the union, but bulk of that support comes from workers in chemical factories or white collar and bank employees, etc.

The question, therefore, is where do we mobilize resources from to work with this section of the class? We can mobilize resources from other sympathetic sections of the class; for example, we can get funds from trade unions of the organised sector to do conscientization and organisation work in the unorganised sector. We can also mobilize resources from sympathetic individuals in the middle class or the affluent sections. We can think of a variety of creative ways.

It is perhaps essential that we begin to think of ways in which the movements and organisations of the people can become self-financed, self-supported largely from within the class, and perhaps through some additional support from sympathetic individuals of other classes. But when it comes to activities like education, documentation, training, research, creative and innovative programmes on economic activities, health, or forestry, it becomes extremely difficult to find the resources even from other sections of the class or sympathetic others. If we closely look at the history of various unions, movements and organisations, they have used a split strategy where the movement, its ongoing organisational and struggle activities are supported from funds from within that section or from other sympathetic sections of the class. But additional activities like leadership training, development of innovative programmes, and experimental efforts etc. have been supported through other resources, either coming from the government or coming from outside. Therefore, there is a need to critically and systematically look at the type of things that require support and ways in which this support can be created. Perhaps a highly differentiated and complex strategy of supporting these range of activities and programmes need to be evolved, for strategic and tactical reasons.

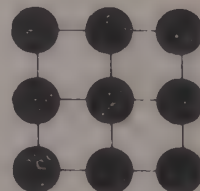
Problems Faced By Voluntary Agencies In The Implementation Of Foreign Contribution (Regulation) Act 1976 As Amended In 1984 And Its Associated Rules

This note is based on the discussion held with several grass-roots voluntary agencies in the different parts of the country about the difficulties they experience in the implementation of the above Act. We hope that these difficulties would be looked into with a sympathetic consideration such that the problems experienced by these voluntary agencies could be quickly and satisfactorily resolved.

Grass-Roots Voluntary Agencies

Before outlining these difficulties, we would like to submit that we are referring to those voluntary agencies which are working in difficult and inaccessible rural areas and urban slums. These agencies are small in size and have in their staff people committed to the social welfare of the poor. These agencies work on problems of education, health, environment, income-generating projects, etc. etc. They are also involved in assisting the government in implementing various laws of the land which have been enacted to improve the socio-economic condition of the poor in the country. Thus, these small voluntary organisations are different from large Trusts promoted by various business houses or religious and charitable institutions set-up for the advancement of various religions in the country. They are also different from formal schools and colleges set-up with the view to earn profit.

Young women and men working in these grass-roots voluntary organisations throughout the country have joined them not because they have nothing else to do, but because they have made social welfare as their avocation and they have committed their life to the cause of improving the socio-economic conditions of the poor in the country. It is this dedication, efficiency, flexibility and closeness to the people characterised by such voluntary agencies which has now made the government, particularly the central government, recognise their



importance and the potential of their role and thereby develop policies and programmes for extensive involvement of voluntary agencies in various poverty-alleviation programmes of the country.

Therefore, the difficulties mentioned below and the suggestions for the same need to be viewed in light of these types of organisations to be distinguished from other types which may be also under the purview of F.C.R.A.

1. Registration

Most new voluntary organisations in the country set-up over the last three-four years are experiencing a great deal of difficulty in being registered to receive foreign contribution. They have been meeting all the formalities required in the law but many of them have been told that they are too new to be registered under the Act. When these new organisations apply for grants with various government departments and ministries, they are told that they are too new to receive the grant (most such agencies require a minimum of three years working experience before government grants are made available). Thus, these young, new and upcoming voluntary organisations are in a bind; they are neither allowed registration under F.C.R.A., nor considered for government grant. Where are they going to get the funds to start their organisation and work for a few years?

This also implies that because they are new to a given area they may not be known by various people in the community or different government officials. Thus **any** enquiry about their bonafides may draw upon a blank - lack of information - which may be construed to be against them.

Many of these new organisations are set-up by experienced social workers who have been working in the field for several years and have either moved to a new area or created a new entity in order to pursue new assignments and tasks they have identified for themselves. Thus, in examining the applications for registration the authority may sympathetically consider the background of the persons heading such organisations and involved in its management. They may not have been as new as the organisation appears and may have years of indepth and important experience in voluntary organisations.

Besides, many organisations denied registration under the Act can be encouraged and sympathetically considered for approval of prior permission. While informing them about the decision not to register them, under the Act, they may also be informed about prior permission procedures including forms for the same. Also when their applications are received these may be expeditiously and quickly disposed off such that they can begin their important work and start receiving the grants. Many a times formal letters of approval from the donor are demanded before prior permission is granted. This may lead to delay in starting the work by these organisations and therefore this may be sent later on while the papers are being processed by the authorities.

Besides, some other mechanism has to be found such that the types of organisations we refer to above are

granted registration without any prejudice. Perhaps, a recommendation from Central Social Welfare Board or some other organisations may be used to grant them such registration.

2. Reporting

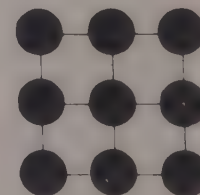
The confusion about number of days available for reporting in Form FC-3 at the end of the first half year and at the end of second half year needs to be sorted out. While the 30 days available at the end of first half year may be enough, the requirement of sending FC-9 along with FC-3 within 45 (or 60) days at the end of the year is too stiff for a large number of small organisations spread throughout the country. For these organisations, Chartered Accountants are not easily available and to get their accounts audited and the audited accounts approved by the Governing Body within a matter of sixty days is a very stringent condition, and should be relaxed. Given that large corporations under the Companies Act and other legislations have a much longer period to submit their audited statements of accounts, then these small, remote voluntary organisations cannot be expected to comply with these stringent conditions so easily.

The revisions and amendments brought in the Direct Taxes Laws in December 1987 now make it mandatory for all organisations to have an accounting period from April to March. The F.C.R.A. reporting period should also be amended to be in line with the new accounting year April to March so that voluntary organisations receiving foreign funds are saved the problem of getting their accounts closed and audited twice in a year.

Some other problems have started appearing in reporting. First relates to the structure of Form FC-3. In the revised Form FC-3, several heads of expenditure for purpose-wise utilization have been specified in Part III. A voluntary organisation has to fit its activities in these prescribed categories (e.g., rural development and agricultural activities are two such categories). Recently, the Ministry has started writing to some associations asking them to clarify what is meant by 'Rural Development', etc. It is an irony that the Ministry specifies a category (without detailed description) and when foreign contribution is reported in that category, it is questioned as if some details are being intentionally hidden by the concerned voluntary organisation.

Second problem relates to reporting of articles in Form FC-6. The Form is so designed that it makes the filing of it rather cumbersome. It appears that several different types of articles have been kept in mind while preparing this Form, without necessarily examining the difficulty in reporting the same.

A third problem relates to nil reporting. Several organisations have started receiving notices from Home Ministry insisting that nil reports of FC-3 should be sent regularly even if the organisation has not received foreign funds during the six month period. This has never been clear in the Act or the Rules.



3. Bank Accounts

The recent interpretations by F.C.R.A. administration that an organisation cannot have foreign contribution in several bank accounts is inconsistent with the provision of the Act available previously. The rule to have one Bank Account in which to receive all foreign contributions was introduced following the amendments in January 1985. Prior to that foreign contributions could be received in any number of Bank Accounts. For a field-based organisation with its field programmes spread in different districts throughout the state or country, it is impossible not to transfer funds from its Central Bank account to different bank accounts opened for this purpose in different locations. Otherwise they have to carry large amount of money in cash creating the possibility of risk related to security and fraud. The objections raised by F.C.R.A. administration need to be reviewed in this context and organisations must be allowed to receive foreign contribution in only a specified bank account but they can then transfer it in other bank accounts for operational use. So long as these organisations continue to report the receipt and utilization in prescribed forms there does not seem to be any difficulty in accepting this procedure. The field programmes require funds for use at short notices and these can not be dispersed from a centralized bank account. Such a rigid position is likely to destroy the very flexibility and efficiency of such voluntary organisations, characteristics that have been respected and recognised by the Central Government itself.

4. Cancellation

Some examples of cancellation of registration under Foreign Contribution (Regulation) Act have come in recently. Their registration has been cancelled either in "the public interest" or for those organisations being construed as "organisations of a political nature". Both these statements are fairly vague and have not been specified either in the Act or the rules associated with it. Given the nature of the work of such voluntary organisations, it is likely that they may cause irritation to or challenge the local vested interests as they succeed in their work either in implementing poverty-alleviation programmes of the government or in their programmes of education, health, income-generation, etc. Promoting socio-economic development of the poor is likely to cause some shake-up. It is, therefore, likely that the local vested interests may create difficulties for such voluntary organisations, including writing complaints against them to various authorities like F.C.R.A. administration. When such complaints are received, it may be desirable to seek the response and the opinion of the concerned voluntary organisation before the administration takes action at its own discretion. A sympathetic consideration in this regard based on an understanding of the reality of the work of voluntary organisations is necessary. Otherwise, any complaint from any vested interest can cause dislocation and destruction to the work of a long-standing, serious and committed voluntary organisation in the field.

Above all, it is perhaps useful to recognise that these voluntary organisations, by and large, are working as a consequence of their serious commitment and long-term vision of justice and equality for the poor in the society. They are today staffed by a number of well-trained, highly qualified and well-meaning professionals who have deliberately volunteered to work in this sector, rejecting lucrative offers of jobs from the corporate or the government sectors. Therefore, people involved in the administration of this Act and other provisions affecting voluntary organisations should perhaps get a field exposure to the realities of the work of voluntary organisations. They may occasionally visit the field and see what kinds of voluntary organisations we are referring to in this note, the nature of their work, the conditions in which they do their work, etc. These organisations are no more the old charitable organisations distributing blankets and food to the poor and the needy. Perhaps, such an exposure may develop better appreciation and understanding of the staff involved in the administration of this Act so that they could carry on their responsibilities with sensitivity and insight and may be able to distinguish between the kinds of voluntary organisations referred to in this note and religious-charitable trusts promoted for other purposes. We believe that laws of the land must be followed, but with sensitivity and understanding.



ABOUT US

The Society for Participatory Research in Asia (PRIA), New Delhi is a non-profit voluntary organisation registered under the Indian Society's Act.

Participatory Research is a methodology based on the belief that knowledge is power and therefore contributes towards the empowerment of the oppressed and the poor. It promotes the involvement of the poor and their organisations and representatives in the creation and utilisation of knowledge in their own collective interests. Thus, it attempts to challenge the monopoly over knowledge and its tools in the hands of the few.

PRIA works with local groups and activists involved in the education and organisation-building efforts and struggles of the marginalised and underprivileged sections of society.

We provide support through research, training, evaluation, networking with groups on common issues and preparation and dissemination of learning materials.

We are a team of 25 people working with several partner groups all over India.

In the last seven years of its existence, PRIA has specially focussed on primary health care and adult non-formal education, problems of deforestation, land alienation and large dams, women and work, women and sanitation, occupational health hazards and management issues of NGOs.

The text of this manual has been prepared by Rajesh Tandon and Anuj Jain.



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